



Xinjiang Xinxin Mining Industry Co., Ltd.*

新疆新鑫礦業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 3833

Interim Report

20
25

We See The Future

For identification purpose only

CONTENTS

2	Corporate Information
4	Company Results
5	Resources and Reserves
7	Management Discussion and Analysis
15	Directors' Interest
18	Share Capital and Dividends
20	Employees and Welfare
21	Corporate Governance
22	Consolidated and Parent Company Balance Sheets (Unaudited)
25	Consolidated and Parent Company Income Statements (Unaudited)
27	Consolidated and Parent Company Cash Flow Statements (Unaudited)
29	Consolidated Statement of Changes in Shareholders' Equity (Unaudited)
30	Company Statement of Changes in Shareholders' Equity (Unaudited)
31	Notes to Financial Statements (Unaudited)
188	Supplementary Information to the Financial Statements (Unaudited)

CORPORATE INFORMATION

EXECUTIVE DIRECTOR

Li Jiangping (Appointed on 29 August 2025)

NON-EXECUTIVE DIRECTORS

Chen Yin (*Chairman*) (Appointed as the chairman on 2 August 2025)

Qi Xinhui (*Chairman*) (Resigned as the chairman on 2 August 2025, and resigned as a director on 29 August 2025)

Zhou Chuanyou (*Vice Chairman*)

Wang Lijian

Chen Yang (Resigned on 27 June 2025)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hu Benyuan

Huang Yong

Lee Tao Wai

EMPLOYEES' REPRESENTATIVE DIRECTOR

Zhang Li (Appointed on 27 June 2025)

SUPERVISORS

Yao Wenying (*Chairman*) (Resigned on 27 June 2025)

Chen Rong (Resigned on 27 June 2025)

Li Shouqiang (Resigned on 27 June 2025)

Huang Fakai (Resigned on 27 June 2025)

Lin Su (Resigned on 27 June 2025)

AUDIT COMMITTEE

Hu Benyuan (*Chairman*)

Hu Chengye

Lee Tao Wai

REMUNERATION AND REVIEW COMMITTEE

Hu Benyuan (*Chairman*)

Qi Xinhui (Resigned on 2 August 2025)

Chen Yin (Appointed on 2 August 2025)

Zhou Chuanyou

Huang Yong

Lee Tao Wai

NOMINATION COMMITTEE

Hu Benyuan (*Chairman*) (Appointed as the chairman on 27 June 2025)

Qi Xinhui (Resigned as the chairman on 27 June 2025, and resigned as the member on 2 August 2025)

Chen Yin (Appointed on 2 August 2025)

Lee Tao Wai

STRATEGY AND SUSTAINABLE DEVELOPMENT (ESG) COMMITTEE

Qi Xinhui (*Chairman*) (Resigned on 29 August 2025)

Chen Yin (*Chairman*) (Appointed as the chairman on 29 August 2025)

Li Jiangping (Appointed on 29 August 2025)

Zhou Chuanyou

Wang Lijian

Huang Yong

COMPANY SECRETARIES

Lam Siu Wing

Wu Ning

Note: With the approval of the Company's 2024 Annual General Meeting, the Company abolished the supervisory committee and amended the Articles of Association on 27 June 2025.

CORPORATE INFORMATION

AUTHORISED REPRESENTATIVES H SHARE REGISTRAR IN HONG KONG

Chen Yin (Appointed on 9 May 2025 and resigned on 29 August 2025)
Qi Xinhui (Resigned on 9 May 2025)
Li Jiangping (Appointed on 29 August 2025)
Lam Siu Wing
Lee Tao Wai (*Alternate*)

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17 Floor
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Wanchai, Hong Kong

REGISTERED OFFICE IN HONG KONG

9/F The Center
99 Queen's Road Central
Central, Hong Kong

PUBLIC RELATIONS

Wonderful Sky Financial Group Limited

STATUTORY ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No.501, Fusion South Road, Cooperation Zone,
Economic and Technological Development Zone,
Urumqi, Xinjiang

COMPANY WEBSITE

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STOCK CODE

3833

LEGAL ADVISERS

Beijing Yingke (Urumqi) Law Firm (PRC law)
Hui Doe & Sum Law Firm LLP (Hong Kong law)

AUDITORS

International and PRC auditors
BDO China Shu Lun Pan Certified Public Accountants
LLP

COMPANY RESULTS

The board of directors (the “Board”) of Xinjiang Xinxin Mining Industry Co., Ltd. (the “Company”) hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the “Company and its Subsidiaries” or the “Group”) prepared in accordance with the China Accounting Standards for Business Enterprises (“CAS”) for the six months ended 30 June 2025 (the “Period”), together with the unaudited consolidated operating results for the six months ended 30 June 2024 (“First Half of 2024” or the “Same Period Last Year”) for comparison. Such operating results have been reviewed and confirmed by the Company’s audit committee (the “Audit Committee”).

During the Period, the Group recorded consolidated revenue amounting to RMB1,117.9 million, representing an increase of 4.9% as compared to RMB1,065.4 million in the Same Period Last Year; and net profit attributable to shareholders of the Company amounted to RMB71.6 million, representing a decrease of 50.2% as compared to RMB144.0 million in the Same Period Last Year. The substantial decrease in net profit of the Group for the Period as compared to that of the Same Period Last Year was mainly attributable to (1) the average selling price of nickel cathode (tax exclusive) decreased from RMB124,230 per tonne in the Same Period Last Year to approximately RMB110,688 per tonne in the Period, representing a decrease of approximately 10.9%; and (2) the increase in production costs, primarily due to the partial use of externally purchased nickel concentrate in the production process, resulting in higher production costs for nickel cathode.

Basic earnings per share attributable to shareholders of the Company amounted to RMB0.032 during the Period, representing a decrease of RMB0.033 per share as compared to RMB0.065 per share for the Same Period Last Year.

The Board does not recommend any payment of interim dividend for 2025.

The Group completed the equity acquisition of Huaou Mining in June 2025. This transaction constituted a business combination under common control. The Group restated its 2024 consolidated financial statements in accordance with the CAS. Please refer to the unaudited consolidated interim financial statements for details of the consolidated operating results.

RESOURCES AND RESERVES

As at 30 June 2025, the resources and reserves estimates for the four nickel-copper mines in Kalatongke, Huangshandong, Huangshan and Xiangshan, which are wholly-owned by the Company, are set out in the following tables:

	Ore contents	Grade		Metal contents	
	Tonnes	Cu %	Ni %	Cu Tonnes	Ni Tonnes
Resources as at 30 June 2025					
Kalatongke nickel-copper mine	26,421,659	0.98	0.56	258,023	147,046
Three nickel-copper mines in Huangshandong, Huangshan and Xiangshan	62,291,299	0.29	0.46	180,521	287,419
Total	88,712,958			438,544	434,465
Reserves as at 30 June 2025					
Kalatongke nickel-copper mine	16,404,590	1.03	0.62	169,414	102,510
Three nickel-copper mines in Huangshandong, Huangshan and Xiangshan	24,666,007	0.31	0.50	77,399	124,312
Total	41,070,597			246,813	226,822

Note: The resources and reserves estimates for the deposits of Kalatongke nickel-copper mine were based on the 2007 estimates in the independent technical review report as shown in the Company's Prospectus dated 27 September 2007, of which the reserves exclude nickel-copper mines in No. 3 mineral deposit upgraded above the control grade. The resources and reserves estimates for the deposits at three nickel-copper mines in Huangshandong, Huangshan and Xiangshan mines were based on the 2008 estimates of resources and reserves as approved for record by the Department of Land and Resources of the PRC, of which the reserves exclude the available low-grade nickel-copper mines. The increases in mining consumption and exploration during the Period were confirmed by internal experts.

RESOURCES AND RESERVES

As at 30 June 2025, the resources estimates for the two vanadium mines in Xianghe Street and Mujia River are set out in the following table:

	Ore contents <i>Tonnes</i>	Grade V₂O₅ <i>%</i>	Contents V₂O₅ <i>Tonnes</i>
Resources as at 30 June 2025			
Xianghe Street vanadium mine	10,159,400	0.95	96,300
Mujia River vanadium mine	16,410,100	0.89	146,015
Total	26,569,500		242,315

Note: The resources estimates for the deposits at two vanadium mines in Xianghe Street and Mujia River were based on the 2012 estimates of resources as approved for record by the Land and Resources Bureau of Shaanxi Province. In 2020, according to the Mineral Resources Exploration License Notification issued by the Department of Natural Resources of Shaanxi Province (Shaanxi Ziran Zikuang Kanzi [2021] 045), the resources of the Mujia River Vanadium Exploration Rights and Mining Rights (retained) were estimated and identified by internal experts. As of the date of this report, the application for the extension of the validity period of the Mujia River vanadium mine exploration rights certificate was approved, with the validity period commencing from 14 January 2025 to 14 January 2030; and the Xianghe Street vanadium mine exploration rights certificate was still under application.

As at 30 June 2025, the resources estimates for the Karchar Fluorspar Mine are set out in the following table:

	Ore contents <i>Tonnes</i>	Grade CaF₂ <i>%</i>	Contents CaF₂ <i>Tonnes</i>
Resources as at 30 June 2025			
Karchar Fluorspar Mine	61,936,000	32.95	20,409,000
Total	61,936,000	32.95	20,409,000

	Ore contents <i>Tonnes</i>	Grade CaF₂ <i>%</i>	Contents CaF₂ <i>Tonnes</i>
Reverses as at 30 June 2025			
Karchar Fluorspar Mine	24,787,000	28.60	7,094,000
Total	24,787,000	28.60	7,094,000

Note: The resources and reserves for the Karchar Fluorspar Mine were estimated based on the 2024 estimates published in the Independent Technical Report included in the Company's circular dated 24 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the Period, the average three-month future price of nickel cathode quoted on the London Metal Exchange was US\$15,574 per tonne, representing a decrease of approximately 12.3% as compared to US\$17,750 per tonne for the Same Period Last Year; the average three-month future price of copper cathode was US\$9,446 per tonne, representing an increase of approximately 2.6% as compared to US\$9,207 per tonne for the Same Period Last Year.

During the Period, the average settlement price (tax inclusive) of nickel cathode quoted on the Shanghai Futures Exchange was RMB124,596 per tonne, representing a decrease of approximately 8.6% as compared to RMB136,296 per tonne for the Same Period Last Year; the average spot price (tax inclusive) of nickel cathode in Shanghai Yangtze River Nonferrous Metals Spot Market was RMB126,015 per tonne, representing a decrease of approximately 8.5% as compared to RMB137,660 per tonne for the Same Period Last Year. The average settlement price (tax inclusive) of copper cathode quoted on the Shanghai Futures Exchange was RMB77,514 per tonne, representing an increase of approximately 4.0% as compared to RMB74,539 per tonne for the Same Period Last Year; the average spot price (tax inclusive) of copper cathode in Shanghai Yangtze River Nonferrous Metals Spot Market was RMB77,718 per tonne, representing an increase of approximately 4.2% as compared to RMB74,569 per tonne for the Same Period Last Year.

During the Period, the domestic price trends of nickel cathode and copper cathode were basically in line with the international market.

BUSINESS REVIEW

During the Period, the Group recorded revenue amounting to approximately RMB1,117.9 million, representing an increase of approximately 4.9% as compared to RMB1,065.4 million in the Same Period Last Year; net profit amounted to approximately RMB68.0 million, representing a decrease of approximately 47.8% as compared to RMB130.1 million in the Same Period Last Year, of which net profit attributable to shareholders of the Company amounted to approximately RMB71.6 million, representing a decrease of approximately 50.2% as compared to RMB144.0 million in the Same Period Last Year.

During the Period, the Group produced 6,030 tonnes of nickel cathode, representing an increase of approximately 26.7% as compared to 4,757 tonnes for the Same Period Last Year, and produced 3,815 tonnes of copper cathode, representing a decrease of approximately 7.0% as compared to 4,102 tonnes for the Same Period Last Year.

During the Period, the Group sold 5,672 tonnes of nickel cathode, representing an increase of approximately 29.6% as compared to 4,378 tonnes for the Same Period Last Year, and sold 4,559 tonnes of copper cathode, representing an increase of approximately 51.6% as compared to 3,008 tonnes for the Same Period Last Year.

During the Period, the average selling price of nickel cathode of the Group (tax exclusive) was approximately RMB110,688 per tonne, representing a decrease of approximately 10.9% as compared to RMB124,230 per tonne for the Same Period Last Year, while the average selling price of copper cathode (tax exclusive) was approximately RMB69,243 per tonne, representing a decrease of approximately 0.2% as compared to approximately RMB69,407 per tonne for the Same Period Last Year.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND COUNTERMEASURES

In the second half of 2025, the Group is increasing its production effort, aiming to complete the 2025 annual production capacity plan within 2025, with a planned production of 12,000 tonnes of nickel cathode and 9,900 tonnes of copper cathode. The Board would like to emphasise that due to the uncertainties in metal prices, the domestic raw materials market and the production environment, the above plan is made solely on the basis of the current market situation and the existing conditions of the Group. The Board may adjust the relevant production plan according to the changes of the situation.

In the second half of 2025, the Group will enhance the analysis and research on the price trends of nickel cathode and copper cathode in both international and domestic markets, and adopt more flexible and proactive marketing strategies based on its actual circumstances and financial strength, thereby promoting sales with higher prices. In the meantime, the Group will remain committed to upgrading the major production process, so as to adapt to the optimisation of domestic economic structure, changes in development patterns and the requirements of the State and Xinjiang government regarding the improvement of standards of work safety and environmental protection. On the basis of such initiatives, the Group will further develop its internal potential for more output and income and strictly control non-operating expenses, so as to further reduce production costs and expenditures and continuously enhance economic benefits, management level and overall operation efficiency of the Group.

MINERAL EXPLORATION, MINE DEVELOPMENT AND ORE MINING ACTIVITIES

Mineral exploration

During the Period, Xinjiang Kalatongke Mining Industry Company Limited ("Kalatongke Mining"), a wholly-owned subsidiary of the Company, mainly completed 2,883.2 meters of surface drilling and 4,776.1 meters of drilling in pit. Xinjiang Yakesi Resources Co. Ltd. ("Xinjiang Yakesi") and Hami Jubao Resources Co. Ltd. ("Hami Jubao") mainly completed 3,012.9 meters of surface drilling and 785.8 meters of drilling in pit, 1,170.8 meters of apparent resistivity well logs, 1,171 points of magnetic logs in wells, 1,913 points of 3D micro-motion measurement and 72 points of transient electromagnetic sounding. Xinjiang Huaou Mining Co., Ltd.* (新疆華甌礦業有限公司, "Huaou Mining") completed 2,713.5 meters of drilling in pit. During the Period, the aggregate expenditure on the mineral exploration of the Group was approximately RMB4.1 million.

Mine development

During the Period, Kalatongke Mining mainly completed mining development projects, including construction of 408.1 meters of horizontal haulageway, 907.2 meters of filling connecting road and construction of 355.4 meters of ramp at 590 mid-segment to 830 mid-segment of No. 1 ore body, construction of 521 meters of horizontal haulageway 589.6 meters of filling connecting road and construction of 429.6 meters of ramp at 260 mid-segment to 590 mid-segment of No. 2 ore body. Xinjiang Yakesi and Hami Jubao mainly completed mining development projects including a total of 3,269.8 meters of tunnel development at 150 mid-segment to 390 mid-segment of Huangshan No. 30 ore body, such as construction of 1,489.7 meters of horizontal haulageway, construction of 4.6 meters of refuge chamber, construction of 1,663.8 meters of routes for drilling routing and construction of 111.7 meters of ramp. During the Period, the aggregate expenditure on the mine development of the Group was approximately RMB31.1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Ore mining

During the Period, Kalatongke Mining produced 570,133 tonnes of ores. Xinjiang Yakesi and Hami Jubao produced 667,412 tonnes of ores. During the Period, the aggregate expenditure on the ore mining of the Group was approximately RMB88.3 million.

FINANCIAL REVIEW AND ANALYSIS

Revenue and gross profit

The following table illustrates the details of sales by products of the Group for the Period and the Same Period Last Year:

Product Name	For the 6 months ended 30 June 2025			For the 6 months ended 30 June 2024		
	Sales Volume Tonnes	Amount RMB'000	Percentage to Revenue from principal businesses %	Sales Volume Tonnes	Amount RMB'000	Percentage to Revenue from principal businesses %
Nickel cathode	5,672	627,861	57.1	4,378	531,526	50.4
Copper cathode	4,559	315,691	28.7	3,008	208,801	19.8
Copper concentrate	3,764	67,951	6.2	4,689	64,174	6.1
Other products	—	88,955	8.0	—	249,883	23.7
Of which: copper leaching tails	—	—	—	6,578	204,723	19.4
precious metal materials	559	55,913	5.1	—	—	—
Total revenue from principal activities	—	1,100,458	100	—	1,054,384	100
Profit or loss from changes in fair value	—	(3,247)	—	—	15,540	—
Cost of sales	—	(866,677)	78.8	—	(746,626)	70.8
Gross profit/gross profit margin*	—	230,534	21.0	—	323,298	30.2

* Gross profit margin = (total revenue from principal activities ± profit or loss from changes in fair value – cost of principal activities)/(total revenue from principal activities ± profit or loss from changes in fair value)

During the Period, the revenue of nickel cathode of the Group (including gain or loss on fair value changes of RMB-3.2 million) increased by approximately 17.5% to RMB624.6 million as compared to that of the Same Period Last Year, the average selling price of nickel cathode was RMB110,115 per tonne (excluding tax and including gain or loss on fair value changes), representing a decrease of approximately 11.4% as compared to that of the Same Period Last Year, and the sales volume of nickel cathode amounted to approximately 5,672 tonnes, representing an increase of approximately 29.6% as compared to that of the Same Period Last Year. The increase in revenue from nickel cathode was mainly due to the higher selling price of nickel cathode during the period as compared to that of the Same Period Last Year.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the revenue of copper cathode of the Group increased by approximately 51.2% to RMB315.7 million as compared to that of the Same Period Last Year, and the average selling price of copper cathode was RMB69,243 per tonne (excluding tax), representing a decrease of approximately 0.2% as compared to that of the Same Period Last Year. Sales volume of copper cathode was 4,559 tonnes, representing an increase of approximately 51.6% over that of the Same Period Last Year. The increase in revenue from copper cathodes was attributable to the increase in sales volume of copper cathodes as compared to that of the Same Period Last Year.

During the Period, the revenue of copper concentrates of the Group increased by approximately 0.9% to RMB68.0 million as compared to that of the Same Period Last Year, and the average selling price of copper concentrates was approximately RMB18,085 per tonne, representing an increase of approximately 25.8% as compared to that of the Same Period Last Year. The sales volume of copper concentrate was approximately 3,764 tons, representing a decrease of approximately 19.7% over that of the Same Period Last Year. The increase in copper concentrate revenue was attributable to the increase in sales price of copper concentrates during the period as compared to that of the Same Period Last Year.

During the Period, the revenue from the other products of the Group decreased by approximately 64.4% to RMB89.0 million as compared to that of the Same Period Last Year. During the first half of 2025, the revenue from the sales of previous metal materials was approximately RMB55.9 million, the revenue from products containing sulphuric acid was approximately RMB26.9 million and the revenue from other tailings was approximately RMB6.2 million.

During the Period, the unit cost of sales of the Group's nickel cathode was approximately RMB84,849 per tonne, representing an increase of approximately 11.8% as compared to that of the Same Period Last Year, while the unit cost of sales of the Group's copper cathode was approximately RMB64,939 per tonne, representing an increase of approximately 5.8% as compared to that of the Same Period Last Year.

During the Period, the Group recorded a gross profit of RMB230.5 million from its principal operations, representing a decrease of approximately RMB92.8 million as compared to that of the Same Period Last Year. During the Period, the gross profit margin of the main business was approximately 21.0%, representing a decrease of approximately 9.2 percentage points as compared to that of the Same Period Last Year.

Sales and marketing costs

During the Period, sales and marketing costs of the Group increased by approximately 20.9% to RMB7.8 million as compared to that of the Same Period Last Year, which was mainly attributable to a corresponding increase in the transportation costs resulting from an increase of production and sales volume of the Group as compared to those of the Same Period during the Period.

Administrative expenses

During the Period, the administrative expense of the Group was approximately RMB85 million, basically remaining at the same level as compared to that of the Same Period Last Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance expenses – net

Net finance expenses of the Group for the Period increased to RMB20.5 million from RMB16.3 million for the Same Period Last Year, which was mainly due to the increase in bank borrowings and total interest-bearing liabilities resulting from the Company's acquisition of the equity of Huaou Mining.

Investment Income

The Group's investment income for the Period amounted to approximately RMB14.2 million as compared to a revenue increase of approximately RMB2.8 million over that of the Same Period Last Year. The increase in the Group's investment income during the Period as compared to the Same Period Last Year was mainly attributable to the decrease in the balance of nickel fine powder purchased from Huxin Mining as compared to that of the beginning of the Period, and the realisation of unrealised profits calculated internally on a consolidated basis during the Period.

Financial position

The consolidated balance sheet of the Group remains stable. As at 30 June 2025, owners' equity is RMB6,197.7 million, and the total assets increased by approximately 2.2% to RMB9,880.7 million as compared to that as of 31 December 2024.

During the Period, the Group's net cash inflows generated from operating activities was approximately RMB194.2 million. As compared to the net cash inflow of RMB158.4 million in the Same Period Last Year, there was an increase in the inflow of RMB35.8 million, primarily due to the increase in the sales volume of the Group's main products, nickel cathode and copper cathode, as compared to those of the Same Period Last Year, resulting in increased sales revenue during the Period. The net cash outflow used in investment activities were approximately RMB324.1 million, which were mainly attributable to the cash outflow of RMB321.7 million as a result of the acquisition of fixed assets and long-term assets during the Period. The net cash inflow generated from financing activities amounted to approximately RMB94.4 million, which were mainly attributable to an increase in cash inflows from bank borrowings received by the Group during the period, cash outflows from the merger and acquisition of Huaou Mining and the repayment of loans and interest.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had total cash and cash equivalents amounting to approximately RMB547.0 million (31 December 2024: RMB582.4 million), and the total borrowings of the Group amounted to approximately RMB1,966.2 million (31 December 2024: RMB764.0 million). As such, the net debts of the Group (total borrowings minus cash and cash equivalents) amounted to approximately RMB1,419.2 million (31 December 2024: RMB181.6 million) and the gearing ratio (net debts divided by total capital*) was approximately 18.6% (31 December 2024: 2.5%).

	As at 30 June 2025	As at 31 December 2024
Current Ratio (<i>Times</i>)	1.4	1.5
Gearing Ratio (<i>net debts/total capital*</i>)	18.6%	2.5%

* Total capital: net debts + owners' equity

As at 30 June 2025, the aggregate amount of borrowings of the Group was approximately RMB1,966.2 million, of which, the loans by the Company was approximately RMB1,346.1 million, the loans by Xinjiang Yakesi was approximately RMB200.2 million, the loans by Kalatongke Mining was approximately RMB168.6 million, and the loans by Huaou Mining was approximately RMB251.3 million.

COMMODITY PRICE RISK

The prices of the Group's products are impacted by prices of the international and domestic markets and changes in global supply and demand for such products. It is also affected by the global and the PRC economic cycle as well as the fluctuations in the global currency markets. Both the international and domestic market prices of products of the Group as well as the volatility of supply and demand are beyond the control of the Company. Therefore, the volatility of commodity prices may materially affect the revenue and the consolidated income of the Group.

RISK OF FLUCTUATIONS IN EXCHANGE RATE

The transactions of the Group are all denominated in Renminbi. Fluctuations in currency exchange rates may affect the international and domestic commodity prices relevant to products of the Group, which may impact the Group's operating results. Renminbi is not a freely convertible currency and the conversion of Renminbi to a basket of currencies may involve fluctuations. In light of further actions and measures that may be adopted for free transactions of Renminbi by the PRC government, fluctuations in exchange rates may adversely affect the Group's translation or conversion of net assets, earnings and any dividends declared by the Group into Hong Kong dollars.

ENVIRONMENTAL RISK

The Chinese economy has shifted from a fast-growing phase to a high-quality development phase where emphasis is placed on the optimisation of economic structure and transformation of development patterns. The government's environmental protection supervision will increase the volatility of the output by the enterprises to some extent. The Group will endeavour to upgrade our major production processes to cater for the optimisation of domestic economic structure, changes in development patterns and the requirements of the State and the regional government for production safety and improvement of environmental protection standards.

MANAGEMENT DISCUSSION AND ANALYSIS

INTEREST RATE RISK

The Group's interest rate risk mainly arises from bank loans. Bank deposits and loans at floating rate expose the Group to cash flow interest rate risk, while fixed rate interest-bearing financial liabilities of the Group are subject to the risk of the fair value of interest. The Group adjusts the relative proportion of contracts at fixed rate and contracts at floating rate based on market situation. As at 30 June 2025, the Group's interest-bearing debts were mainly RMB-denominated floating rate borrowings, which totaled RMB1,965.3 million (31 December 2024: RMB763.7 million). The Group has no interest rate swap arrangement.

PURCHASE, DISPOSAL OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the Period.

CHARGE ON ASSETS

As at 30 June 2025, there were no charges or pledges of assets in the Group.

CONTINGENT LIABILITIES

Save as disclosed in Notes X. 2 (4) and XIII to the unaudited consolidated interim financial statements of the Group, the Group had no other significant contingent liabilities as at 30 June 2025.

MAJOR ACQUISITIONS AND DISPOSAL

On 14 February 2025, Xinjiang Non-ferrous Metal Industry (Group) Ltd. ("Xinjiang Non-ferrous Group"), the Company, and Huaou Mining entered into the equity transfer agreement, pursuant to which Xinjiang Non-ferrous Group conditionally agreed to transfer, and the Company conditionally agreed to acquire, the interest of Huaou Mining, representing 51% equity interest in Huaou Mining, at the consideration of approximately RMB1,098.08 million in accordance with the terms and conditions of the equity transfer agreement.

The above transaction has been completed on 12 June 2025. Huaou Mining has become a non-wholly owned subsidiary of the Company and its financial statements have been consolidated into the financial statements of the Company.

Except for the above acquisition, the Group had no other major acquisitions or disposal.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

On 26 June 2025, the Group entered into the "Equity Transfer Agreement of Xinjiang Zhongxin Mining Co., Ltd. between Sichuan Aokai Investment and Development Co., Ltd. and Xinjiang Xinxin Mining Industry Co., Ltd." with Sichuan Aokai Investment and Development Co., Ltd. ("Sichuan Aokai"). Pursuant to the agreement, Sichuan Aokai will transfer its 2.4167% equity interest in Xinjiang Zhongxin Mining Co., Ltd. ("Zhongxin Mining") to the Group without transaction consideration. The industrial and commercial registration for this transaction was completed on 14 August 2025. Following completion of this transaction, the Group holds a 100% equity interest in Zhongxin Mining, which has become a wholly-owned subsidiary of the Group.

Save for the abovementioned, as at the date of this report, the Group did not have any significant event after balance sheet date.

MANAGEMENT DISCUSSION AND ANALYSIS

HISTORICAL CAPITAL EXPENDITURE

Capital expenditure was primarily used to expand the production capacities of the Group and to improve the mining, ore processing, smelting and refining technology of the Group. The following table sets out the particulars of the Group's capital expenditure as well as the ratio of the capital expenditure of each operation over total capital expenditure based on various categories of operations for the Period:

	Six months ended 30 June 2025	
	RMB'000	Percentage to Total
Mining, ore processing and smelting and complementary operations in Kalatongke Mining	31,218	6.4%
Refining and complementary operations in Fukang Refinery	60,260	12.3%
Mining and ore processing operations in Xinjiang Yakesi	36,467	7.4%
Mining and processing construction project, mineral processing and supporting operations of Huaou Mining	362,678	73.9%
Total	490,623	100%

FUTURE PLANS OF THE GROUP FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS FOR THE SECOND HALF OF 2025

Kalatongke Mining will undergo further enhancement of its daily mining and daily ore processing capabilities of 3,400 tonnes and 3,000 tonnes respectively, annual production of 8,000 tonnes of nickel contents out of the water hardening and nickel matte, as well as automation, technological optimisation and transformation and productivity improvement projects, and plans to invest approximately RMB123.2 million.

Fukang Refinery will further enhance the supporting facilities to increase the refining and processing capacity of electrolytic nickel and cathode copper, as well as automation, process optimisation and transformation and productivity improvement projects, and plans to invest approximately RMB137.9 million.

Xinjiang Yakesi will further improve production capacity and automation level renovation project, and plans to invest approximately RMB48.3 million.

The mining and processing construction project, mineral processing and supporting projects of Huaou Mining are planned to invest approximately RMB237.3 million.

The capital expenditure of the Group for the acquisition of fixed assets is planned to be approximately RMB38.9 million.

The sources of fund for the plans mentioned above will be contributed by internal working capital of the Group.

Save for the plans as disclosed above, the Group had no other plans for material investments or acquisition of capital assets as at 30 June 2025.

COMMITMENTS

Commitments of the Group as at 30 June 2025 are disclosed in Note XIII to the unaudited consolidated interim financial statements.

DIRECTORS' INTEREST

DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACT

As at 30 June 2025, none of the directors or supervisors of the Company had any material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, its subsidiaries or any of its fellow subsidiaries was a party during the Period.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND SUPERVISORS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and/or short positions, if any, of the directors and supervisors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO (Cap. 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY HELD BY DIRECTORS/SUPERVISORS AS AT 30 JUNE 2025

Director/ Supervisor	Number of Shares held		Total interests	Classes of share	Percentage of aggregate interests to relevant class of share	Percentage of aggregate interests to the total share
	Personal interest	Corporate interests				
Zhou Chuanyou		480,924,000	345,924,000	Domestic share (Note 1)	27.47%	15.65%
			135,000,000	H share (Note 2)	14.20%	6.11%

Note 1: The domestic shares are held by Shanghai Yilian Kuangneng Co. Ltd. ("Shanghai Yilian") and Zhongjin Investment (Group) Ltd. ("Zhongjin Investment"). The entire shareholding or equity interest of Shanghai Yilian and Zhongjin Investment are beneficially owned by Zhou Chuanyou.

Note 2: The H shares are held by Zhongjin Investment.

Save as disclosed above, none of the directors and supervisors of the Company or their respective associates had, as at 30 June 2025, any interests and/or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTEREST

STOCK APPRECIATION RIGHTS INCENTIVE PLAN

According to the "Xinjiang Xinxin Mining Co., Ltd. 2021 H Share Appreciation Rights Incentive Plan" (the "Incentive Plan") as approved by the general meeting of shareholders of the Company held on 29 October 2021, the Company will provide 150 Xinjiang Xinxin Middle and Senior Management Personnel (including certain directors and supervisors of the Company) and other identified core key personnel ("incentive objects") implement the stock appreciation rights incentive plan, and a total of 63,500,000 stock appreciation rights are granted to the incentive objects. The exercise price of the stock appreciation right is HKD1.58 per share, and the incentive object can exercise the right in next 36 months after 24 months of service from the grant date (29 October 2021), with 33%, 33%, 34% of the awards unlocking upon meeting certain performance condition. The stock appreciation rights are valid for 5 years from 29 October 2021.

According to relevant provisions of the Incentive Plan and the authorisation granted by the general meeting, the Board of the Company considered and approved the adjustments to the list of Participants, the number of Effective Equity Interests and the exercise price under the Incentive Plan on 31 May 2024: (1) 32 Grantees have ceased to be eligible Grantees under the Plan due to job reassignments, resignations, etc. The number of Grantees under the incentive plan has been adjusted from 150 to 118, and the number of effective equity interests has been adjusted from 63,500,000 to 43,985,000. (2) According to the relevant provisions of the Incentive Plan, in the event of capitalisation issue, bonus issue, share subdivision, share consolidation, dividend distribution, rights issue or additional issue of new shares by the Company prior to any exercise, the exercise price of the share appreciation rights shall be adjusted. The Company paid a final dividend of RMB0.15 per share for the year 2022 to all Shareholders of the Company (based on the average exchange rate of approximately HKD0.17, inclusive of tax, between RMB and HKD as announced by the People's Bank of China for the five business days preceding the date of approval of the annual profit distribution plan at the general meeting of the Company), a final dividend of RMB0.05 per share for the year 2023 to all Shareholders of the Company (based on the average exchange rate of approximately HKD0.05, inclusive of tax, between RMB and HK as announced by the People's Bank of China for the five business days preceding the date of approval of the annual profit distribution plan at the general meeting of the Company), and the adjusted exercise price = the exercise price prior to the adjustment – the amount of dividend per share, i.e. the adjusted exercise price is HKD1.36 per share.

Pursuant to the authorisation granted by the general meeting, the Board considered and approved the matters related to the readjustment to the list of the participants, number of effective equity interests and exercise price under the incentive plan on 2 August 2025 to the effect that: (1) 22 grantees have ceased to be eligible grantees under the plan due to job reassignments, resignations, retirement and etc. during the period from 31 May 2024 to 30 June 2025. As of 30 June 2025, the number of grantees under the incentive plan has been adjusted from 118 to 96, and the number of effective equity interests has been adjusted from 43,955,000 shares to 34,685,000 shares. (2) According to the relevant provisions of the Incentive Plan, in the event of capitalisation issue, bonus issue, share subdivision, share consolidation, dividend distribution, rights issue or additional issue of new shares by the Company prior to any exercise, the exercise price of the share appreciation rights shall be adjusted. The Company paid a final dividend of RMB0.05 per share for the year 2024 to all Shareholders of the Company (approximately HKD0.05 per share, including tax, based on the average exchange rate of the RMB against the Hong Kong dollar announced by the People's Bank of China during the five business days prior to the date of approval of the annual profit distribution plan by the general meeting of the Company), and the adjusted exercise price = the exercise price prior to the adjustment – the amount of dividend per share, i.e. the readjusted exercise price is HKD1.31 per share.

The exercise price of the stock appreciation rights issued at the end of the period was HKD1.31 per share. As of 30 June 2025, the remaining term of the stock appreciation rights contract is 1 years and 4 months until 29 October 2026.

There were no share appreciation rights under the Incentive Plan exercised during the Period.

DIRECTORS' INTEREST

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, during the Period, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company was granted to any directors or supervisors of the Company or their respective spouses or minor children, or no any such rights was exercised by them; and none of the Company, its holding company, its subsidiary or any of its fellow subsidiaries was a party to any arrangement to enable the directors or supervisors of the Company to acquire such rights in any other body corporate.

SHARE CAPITAL AND DIVIDENDS

SHARE CAPITAL

The Company's share capital as at 30 June 2025 is as follows:

	Number of shares issued	Percentage of capital %	Nominal value RMB'000
Registered, issued and fully paid			
Domestic shares of RMB0.25 each	1,259,420,000	56.99	314,855
H shares of RMB0.25 each	950,580,000	43.01	237,645
	2,210,000,000	100.00	552,500

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

So far as was known to any director or supervisor, as at 30 June 2025, the persons or companies (other than a director of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more than the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name	Number of shares held	Class of share	Approximate percentage of shareholding on relevant class of shares %	Approximate percentage of the total share capital %
Xinjiang Non-ferrous Metal Industry (Group) Ltd* (新疆有色金屬工業 (集團)有限公司)	885,204,000 (L)	Domestic share	70.29	40.06
Shanghai Yilian (Note 1)	282,896,000 (L)	Domestic share	22.46	12.80
Zhongjin Investment (Note 1)	63,028,000 (L)	Domestic share	5.00	2.85
	135,000,000 (L)	H share	14.20	6.11
Zijin Mining Group Company Limited* (紫金礦業集團股份 有限公司) ("Zijin Mining")	59,444,000 (L)	H Share (Note 2)	6.25	2.69
Zijin Mining Group (Xiamen) Investment Co., Ltd* (紫金礦業集團 (廈門)投資有限公司) ("Zijin Mining (Xiamen)")	56,580,000 (L)	H Share	5.95	2.56

(L): Long positions

* English name is for identification purpose only.

SHARE CAPITAL AND DIVIDENDS

Note 1: The entire shareholding or equity interests of Shanghai Yilian and Zhongjin Investment are beneficially owned by Mr. Zhou Chuanyou.

Note 2: The H shares are held by Zijin Mining (Xiamen) and Gold Mountains (H. K.) International Mining Company Limited (金山(香港)國際礦業有限公司). The entire shareholding or equity interests of Zijin Mining (Xiamen) and Gold Mountains (H. K.) International Mining Company Limited are beneficially owned by Zijin Mining.

Save as disclosed above, as at 30 June 2025, the directors of the Company were not aware of any other person (other than a director or supervisor of the Company) who had interests and/or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

DIVIDENDS

The Board does not recommend any payment of interim dividend for 2025 (No interim dividend was distributed for 2024).

EMPLOYEES AND WELFARE

As at 30 June 2025, the Group had a total of 1,730 employees. Breakdowns by functions and divisions are as follows:

Division	No. of Employees	Percentage to Total
Management and administration	149	8.61%
Engineering technician	170	9.83%
Production staff	1,133	65.49%
Repair and maintenance	209	12.08%
Inspection	60	3.47%
Sales	9	0.52%
Total	1,730	100%

The remuneration package of the Group's employees includes salary, bonuses and allowances. The Group has participated in the social insurance contribution plans organised by local governments in the PRC. In accordance with the relevant national and local labour and social welfare laws and regulations, the Group is required to pay on behalf of its employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance, housing provident funds and enterprise annuity. According to the currently applicable local regulations, the respective percentages of the pension insurance, medical insurance, unemployment insurance, housing provident funds and enterprise annuity which the Group must contribute are 16%, 6.5% to 8%, 0.5%, 12% and 8%, respectively, of its employees' total monthly basic salary. The Group also contributes 1.04% to 2.85% of its employees' total monthly basic salary for occupational injury insurance.

CORPORATE GOVERNANCE

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company strives to attain and maintain relatively high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries as it believes that effective corporate governance practices are fundamental to safeguard the interests of shareholders and other stakeholders and enhance the shareholder value.

The Company has fully complied with all code provisions prescribed in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules throughout the Period.

BOARD OF DIRECTORS

The Board currently consists of nine directors, including an executive director, four non-executive directors, three independent non-executive directors and an employee representative director. During the Period, the Board convened three meetings (with an attendance rate of 89%).

SUPERVISORY COMMITTEE

The Company has a supervisory committee comprising five supervisors to exercise supervision over the Board and its members and the senior management, preventing them from abusing their authorities and jeopardising the legal interests of the Company, its Shareholders and its employees. The supervisory committee convened two meetings during the Period (with an attendance rate of 100%).

Approved at the Company's 2024 Annual General Meeting, Audit Committee of the Board of the Company shall assume the statutory responsibilities of a supervisory committee under the Company Law, the Company will cease to maintain a supervisory board or appoint any supervisors from 27 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company had adopted the Model Code as its code of conduct regarding securities transactions by the directors, supervisors and senior management of the Company. Upon specific enquiries made of all the directors, supervisors and senior management of the Company, all the directors, supervisors and senior management of the Company have complied with the required standards as set out in the Model Code during the Period.

AUDIT COMMITTEE

Written terms of reference of the Audit Committee was prepared primarily based on “A Guide for Effective Audit Committees” issued by the Hong Kong Institute of Certified Public Accountants have been adopted by the Board. The Audit Committee provides an important link between the Board and the Group's auditors in matters falling within the scope of the audit of the Group. The Audit Committee reviews the effectiveness of the external audit and of internal controls, evaluates risks and provides comments and advice to the Board. The Audit Committee comprises one non-executive director, namely, Mr. Hu Chengye and two independent non-executive directors, namely, Mr. Hu Benyuan and Mr. Lee Tao Wai, with Mr. Hu Benyuan serving as the Chairman. The Audit Committee has reviewed the unaudited financial results and the interim report of the Group for the Period and considered that they are in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure in this report.

By Order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.*
Chen Yin
Chairman

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS (UNAUDITED)

30 June 2025

(Unless otherwise specified, the amount is in RMB)

Item	Notes	30 June 2025 Consolidated	31 December 2024 Consolidated (restated)	30 June 2025 Parent company	31 December 2024 Parent company
Current Assets:					
Cash at bank and on hand	V. 1	629,154,892.84	648,891,485.62	490,212,760.31	446,697,945.28
Financial assets held for trading	V. 2	–	444,342.48	–	444,342.48
Notes receivable	V. 3	29,785,191.41	35,557,932.04	17,200,000.00	23,759,117.89
Accounts receivable	V.4, XVI.1	277,614,607.74	426,307,912.49	270,457,700.66	418,862,429.02
Financing receivables	V. 5	106,418,104.33	59,407,818.41	74,627,639.11	38,190,315.50
Advances to suppliers	V. 7	49,422,357.55	34,073,756.85	423,587,532.62	505,718,684.66
Other receivables	V. 6, XVI. 2	12,706,329.94	7,218,048.42	59,195,795.47	57,923,544.72
Inventories	V. 8	1,014,597,880.45	1,058,515,443.98	746,528,149.55	784,589,704.04
Non-current assets due within one year		–	–	172,000,000.00	298,700,000.00
Other current assets	V. 9	61,758,574.55	25,810,483.38	4,742,049.15	5,171,326.18
Total current assets		2,181,457,938.81	2,296,227,223.67	2,258,551,626.87	2,580,057,409.77
Non-current assets:					
Long-term receivables		–	–	697,500,000.00	420,000,000.00
Long-term equity investments	V.10 · XVI.3	205,098,565.14	190,545,162.35	3,391,951,929.26	2,521,260,287.85
Investment properties	V. 11	217,413,178.80	219,958,989.81	4,028,351.22	4,071,473.34
Fixed assets	V. 12	3,400,041,671.26	3,514,039,233.51	453,651,577.18	472,185,459.07
Construction in progress	V. 13	1,188,694,727.52	730,737,155.40	130,715,498.33	72,525,441.64
Right-of-use assets	V. 14	14,998,603.00	12,994,594.68	3,396,286.30	–
Intangible assets	V. 15	2,458,022,037.62	2,457,491,674.46	39,551,327.89	38,294,987.29
Development costs	V. 48	22,016,404.51	22,016,404.51	5,247,728.68	6,650,004.08
Goodwill	V. 16	108,081,096.95	108,081,096.95	–	–
Long-term prepaid expenses	V. 18	1,381,350.97	1,702,435.15	1,381,350.97	1,702,435.15
Deferred tax assets	V. 19	63,244,687.13	61,922,612.49	48,691,897.35	48,832,704.59
Other non-current assets	V. 20	20,213,514.10	28,440,659.57	–	–
Total non-current assets		7,699,205,837.00	7,347,930,018.88	4,776,115,947.18	3,585,522,793.01
Total assets		9,880,663,775.81	9,644,157,242.55	7,034,667,574.05	6,165,580,202.78

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS (UNAUDITED)

30 June 2025

(Unless otherwise specified, the amount is in RMB)

Item	Notes	30 June 2025 Consolidated	31 December 2024 Consolidated (restated)	30 June 2025 Parent company	31 December 2024 Parent company
Current liabilities:					
Short-term borrowings	V. 22	200,137,777.78	200,159,722.23	–	–
Financial liabilities held for trading	V. 23	224,737.71	–	224,737.71	–
Notes payable	V. 24	190,695,405.06	143,487,517.26	213,000,000.00	158,450,000.00
Accounts payable	V. 25	220,931,986.37	346,227,590.05	49,284,980.18	92,493,259.08
Advances from customers	V. 27	89,761.91	201,690.95	–	–
Contract liabilities	V. 28	67,630,931.93	9,193,741.84	68,366,126.70	631,431.87
Employee benefits payable	V. 29	92,706,879.40	120,187,858.45	47,563,614.25	58,169,004.77
Taxes payable	V. 30	29,009,848.47	12,183,536.82	1,053,848.34	1,453,630.77
Other payables	V. 26	350,415,438.82	238,040,352.82	40,088,114.94	20,537,412.44
Non-current liabilities due within one year	V. 31	359,481,644.07	503,632,403.26	179,085,284.63	298,700,000.00
Other current liabilities	V. 32	9,003,928.71	1,195,186.44	–	82,086.14
Total current liabilities		1,520,328,340.23	1,574,509,600.12	598,666,706.75	630,516,825.07
Non-current liabilities:					
Long-term borrowings	V. 33	1,419,796,776.23	96,000,000.00	1,168,500,000.00	96,000,000.00
Lease liabilities	V. 34	2,099,073.64	–	2,099,073.64	–
Long-term payables	V. 35	280,237,930.96	298,898,866.05	21,000.00	–
Long-term employee benefits payable	V. 36	1,119,055.43	1,481,219.57	1,119,055.43	1,481,219.57
Provisions	V. 37	151,877,879.99	148,135,563.22	–	–
Deferred income	V. 38	28,506,492.16	24,533,230.10	6,689,710.27	6,902,726.23
Deferred tax liabilities	V. 19	278,966,060.44	279,772,000.04	–	66,651.37
Total non-current liabilities		2,162,603,268.85	848,820,878.98	1,178,428,839.34	104,450,597.17
Total liabilities		3,682,931,609.08	2,423,330,479.10	1,777,095,546.09	734,967,422.24

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS (UNAUDITED)

30 June 2025

(Unless otherwise specified, the amount is in RMB)

Item	Notes	30 June 2025 Consolidated	31 December 2024 Consolidated (restated)	30 June 2025 Parent company	31 December 2024 Parent company
Shareholders' Benefits:					
Share capital	V. 39	552,500,000.00	552,500,000.00	552,500,000.00	552,500,000.00
Capital reserves	V. 40	4,046,388,370.77	5,144,151,097.76	4,042,573,230.50	4,254,754,857.49
Special reserves	V. 41	9,522,925.71	1,300,130.31	2,959,621.10	1,300,130.31
Surplus reserves	V. 42	276,250,000.00	276,250,000.00	276,250,000.00	276,250,000.00
Undistributed profits	V. 43	559,040,089.67	488,915,211.92	383,289,176.36	345,807,792.74
Total shareholders' equity attributable to the parent company		5,443,701,386.15	6,463,116,439.99	5,257,572,027.96	5,430,612,780.54
Non-controlling interests		754,030,780.58	757,710,323.46	–	–
Total shareholders' equity		6,197,732,166.73	7,220,826,763.45	5,257,572,027.96	5,430,612,780.54
Total liabilities and shareholders' equity		9,880,663,775.81	9,644,157,242.55	7,034,667,574.05	6,165,580,202.78

CONSOLIDATED AND PARENT COMPANY INCOME STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Notes	Six months ended 30 June 2025 Consolidated	Six months ended 30 June 2024 Consolidated (restated)	Six months ended 30 June 2025 Parent company	Six months ended 30 June 2024 Parent company
I. Total revenue		1,117,897,502.64	1,065,356,736.99	1,001,634,822.89	975,500,546.27
Including: Revenue	V.44 · XVI.4	1,117,897,502.64	1,065,356,736.99	1,001,634,822.89	975,500,546.27
II. Total cost of sales		1,052,091,981.21	891,959,207.75	949,552,493.29	848,609,984.85
Including: Cost of sales	V. 44	883,484,612.61	753,070,345.30	906,712,391.87	811,491,037.70
Taxes and surcharges	V. 45	30,278,188.62	22,648,127.57	6,065,421.90	5,359,813.06
Selling expenses	V. 46	7,786,678.94	6,443,080.66	7,508,201.78	6,213,035.89
General and administrative expenses	V. 47	84,777,880.17	84,895,878.90	23,485,698.63	27,482,884.75
Research and development expenses	V. 48	25,292,276.95	8,563,222.76	6,298,304.23	2,937,557.37
Finance cost	V. 49	20,472,343.92	16,338 · 552.56	(517,525.12)	(4,874,343.92)
Including: Interest expenses		12,865,255.40	11,788,655.11	940,976.68	6,456,817.78
Interest income		2,191,199.03	5,846,698.16	1,478,588.84	11,371,196.74
Add: Other income	V. 50	7,899,324.17	13,166,824.67	4,080,184.28	2,819,122.88
investment income (loss)	V.52, XVI.5	14,232,129.78	11,396,550.67	(9,883,331.36)	194,774.95
Including: Income from investments in a joint venture		(5,010,731.60)	194,774.95	(5,010,731.60)	194,774.95
(Loss) Gains on changes in fair value	V. 51	(3,247,446.41)	15,539,621.24	(3,247,446.41)	12,315,436.91
Credit impairment losses	V. 53	769,635.13	1,991,841.64	121,043.19	1,633,297.46
Asset impairment losses	V. 54	–	(42,556,760.60)	–	(630,577.25)
(Loss) Gain on disposal of assets	V. 55	(1,447,002.40)	–	1,137,069.37	–
III. Operating profit		84,012,161.70	172,935,606.86	44,289,848.67	143,222,616.37
Add: Non-operating income	V. 56	2,084,474.41	2,532,778.90	393,668.08	1,905,232.25
Less: Non-operating expenses	V. 57	2,308,665.95	1,539,773.47	613,567.17	361,862.98
IV. Total profits		83,787,970.16	173,928,612.29	44,069,949.58	144,765,985.64
Less: Income tax expenses	V. 58	15,821,324.70	43,805,800.26	6,588,565.96	34,232,467.45

CONSOLIDATED AND PARENT COMPANY INCOME STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Notes	Six months ended 30 June 2025 Consolidated	Six months ended 30 June 2024 Consolidated (restated)	Six months ended 30 June 2025 Parent company	Six months ended 30 June 2024 Parent company
V. Net profit		67,966,645.46	130,122,812.03	37,481,383.62	110,533,518.19
(I) Classified by continuity of operation		67,966,645.46	130,122,812.03	37,481,383.62	110,533,518.19
1. Net profit from continuing operations		67,958,146.89	130,122,812.03	37,481,383.62	110,533,518.19
2. Net profit from discontinued operations		8,498.57	–	–	–
(II) Classified by owner's equity		67,966,645.46	130,122,812.03	37,481,383.62	110,533,518.19
1. Net profit attributable to equity owners of the parent company		71,646,188.34	143,957,457.02	37,481,383.62	110,533,518.19
2. Gains or losses attributable to non-controlling interests		(3,679,542.88)	(13,834,644.99)	–	–
VI. Total comprehensive income		67,966,645.46	130,122,812.03	37,481,383.62	110,533,518.19
Total comprehensive income attributable to shareholders of the parent company		71,646,188.34	143,957,457.02	37,481,383.62	110,533,518.19
Total comprehensive income attributable to non-controlling interest		(3,679,542.88)	(13,834,644.99)	–	–
VII. Earnings per share:		–	–	–	–
(1) Basic earnings per share (RMB/share)		0.032	0.065	–	–
(2) Diluted earnings per share (RMB/share)		0.032	0.065	–	–

A business combination under common control occurred in this period the net loss realized by the consolidated party before consolidation was RMB2,837,715.47 and the net loss realized by the consolidated party in the previous period was RMB3,855,011.8. The notes to the financial statements are component part of the financial statements.

Legal representative:
Li Jiangping

Principal in charge of accounting:
He Hongfeng

Head of accounting department:
Jin Shufang

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Notes	Six months ended 30 June 2025 Consolidated	Six months ended 30 June 2024 Consolidated (restated)	Six months ended 30 June 2025 Parent company	Six months ended 30 June 2024 Parent company
I. Cash flows from operating activities:					
Cash received from sales of goods or rendering of services		1,010,292,089.25	814,053,385.46	1,279,846,552.29	710,255,618.17
Received tax refunds		506,265.05	2,877,400.51	–	2,877,400.51
Cash received relating to other operating activities	V. 60(1)	11,380,542.96	41,856,717.61	8,748,506.92	18,941,613.37
Sub-total of cash inflows from operating activities		1,022,178,897.26	858,787,503.58	1,288,595,059.21	732,074,632.05
Cash paid for goods and services		411,879,245.67	395,408,913.56	777,697,870.73	498,585,700.79
Cash paid to and on behalf of employees		184,377,690.23	170,084,145.55	69,441,603.80	65,709,513.31
Payments of taxes and surcharges		116,728,819.15	85,617,192.77	31,261,342.50	22,789,929.21
Cash paid relating to other operating activities	V. 60(1)	114,944,115.00	49,286,808.23	30,574,012.54	29,484,959.81
Sub-total of cash outflows from operating activities		827,929,870.05	700,397,060.11	908,974,829.57	616,570,103.12
Net cash flows generated from operating activities	V. 61	194,249,027.21	158,390,443.47	379,620,229.64	115,504,528.93
II. Cash flows from investing activities					
Cash received from disinvestments		–	117,926.03	5,327,400.24	18,000,000.00
Cash received from the disposal of fixed assets, intangible assets, and other long-term assets		171,350.60	–	2,552,193.19	–
Cash received relating to other investing activities	V.60(2)	–	11,060,000.00	249,200,000.00	8,156,817.78
Sub-total cash inflow from investment activities		171,350.60	11,177,926.03	257,079,593.43	26,156,817.78
Cash paid to acquire fixed assets and other long-term assets		321,660,201.32	38,871,038.78	47,697,822.76	620,069.46
Cash paid for the purchase or disposal of subsidiaries and other operating units		–	–	1,098,084,000.00	–
Cash paid relating to other investing activities	V.60(2)	2,578,366.22	102,313,100.00	402,578,366.22	–
Sub-total of cash outflows from investing activities		324,238,567.54	141,184,138.78	1,548,360,188.98	620,069.46
Net cash flows generated (used in) from investing activities		(324,067,216.94)	(130,006,212.75)	(1,291,280,595.55)	25,536,748.32

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Notes	Six months ended 30 June 2025 Consolidated	Six months ended 30 June 2024 Consolidated (restated)	Six months ended 30 June 2025 Parent company	Six months ended 30 June 2024 Parent company
III Cash flows from financing activities					
Cash flows from financing activities		1,451,296,776.23	100,000,000.00	1,100,000,000.00	–
Sub-total of cash inflows		1,451,296,776.23	100,000,000.00	1,100,000,000.00	–
Cash repayments of borrowings		249,700,000.00	102,200,000.00	149,200,000.00	1,700,000.00
Cash payments for interest expenses		8,469,391.50	11,719,851.11	7,551,608.05	6,456,817.78
Cash paid relating to other financing activities	V.60(3)	1,098,678,489.40	–	528,185.29	
Sub-total of cash outflows from financing activities		1,356,847,880.90	113,919,851.11	157,279,793.34	8,156,817.78
Net cash flows generated (used in) from financing activities		94,448,895.33	(13,919,851.11)	942,720,206.66	(8,156,817.78)
IV. Net increase in cash and cash equivalents	V.61	(35,369,294.40)	14,464,379.61	31,059,840.75	132,884,459.47
Add: Opening balance of cash and cash equivalent	V.61	582,405,823.83	483,702,769.38	401,652,919.56	442,353,832.37
V. Closing balance of cash and cash equivalents	V.61	547,036,529.43	498,167,148.99	432,712,760.31	575,238,291.84

Legal representative:
Li Jiangping

Principal in charge of accounting:
He Hongfeng

Head of accounting department:
Jin Shufang

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Attributable to shareholders' equity of the Company					Undistributed profit/ (Accumulated losses)	Non-controlling interests	Total owners'
	Share capital (Note V (39))	Capital reserves (Note V (40))	Special reserves (Note V (41))	Surplus reserves (Note V (42))	subtotal			
At 1 January 2025	552,500,000.00	4,258,569,997.76	1,300,130.31	276,250,000.00	492,290,337.75	5,580,910,465.82	4,347,056.33	5,585,257,522.15
Business combination under common control	-	885,581,100.00	-	-	(3,375,125.83)	882,205,974.17	753,363,267.13	1,635,569,241.30
At 1 January 2025 (restated)	552,500,000.00	5,144,151,097.76	1,300,130.31	276,250,000.00	488,915,211.92	6,463,116,439.99	757,710,323.46	7,220,826,763.45
Movements for the period ended 30 June 2025								
Total comprehensive profit	-	-	-	-	71,646,188.34	71,646,188.34	(3,679,542.88)	67,966,645.46
– Net profit	-	-	-	-	71,646,188.34	71,646,188.34	(3,679,542.88)	67,966,645.46
Withdrawal in the current period	-	32,699,967.95	-	-	32,699,967.95	-	32,699,967.95	-
Use in the current period	-	-	(24,477,172.55)	-	-	(24,477,172.55)	-	(24,477,172.55)
Others	-	321,273.01	-	-	-	321,273.01	-	321,273.01
Business combination under common control	-	(1,098,084,000.00)	-	-	(1,521,310.59)	(1,099,605,310.59)	-	(1,099,605,310.59)
At 30 June 2025 (unaudited)	552,500,000.00	4,046,388,370.77	9,522,925.71	276,250,000.00	559,040,089.67	5,443,701,386.15	754,030,780.58	6,197,732,166.73
At 1 January 2024	552,500,000.00	4,258,569,997.76	-	276,250,000.00	416,872,671.59	5,504,192,669.35	16,315,742.11	5,520,508,411.46
Business combination under common control	-	885,581,100.00	-	-	(1,256,291.88)	884,324,808.12	755,399,009.55	1,639,723,817.67
At 1 January 2024 (restated)	552,500,000.00	5,144,151,097.76	-	276,250,000.00	415,616,379.71	6,388,517,477.47	771,714,751.66	7,160,232,229.13
Movements for the period ended 30 June 2024								
Total comprehensive profit	-	-	-	-	143,957,457.02	143,957,457.02	(13,834,644.99)	130,122,812.03
– Net profit	-	-	-	-	143,957,457.02	143,957,457.02	(13,834,644.99)	130,122,812.03
Withdrawal in the current period	-	-	27,151,088.22	-	-	27,151,088.22	-	27,151,088.22
Use in the current period	-	-	(20,747,323.89)	-	-	(20,747,323.89)	-	(20,747,323.89)
Others	-	478,823.53	-	-	-	478,823.53	-	478,823.53
Distribution to owners (or shareholders)	-	-	-	-	(110,500,000.00)	(110,500,000.00)	-	(110,500,000.00)
At 30 June 2024 (unaudited and restated)	552,500,000.00	5,144,629,921.29	6,403,764.33	276,250,000.00	449,073,836.73	6,428,857,522.35	757,880,106.67	7,186,737,629.02

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

Item	Share capital	Capital reserves	Special reserves	Surplus reserves	Undistributed profit/ (Accumulated losses)	Total owners' equity
At 1 January 2025	552,500,000.00	4,254,754,857.49	1,300,130.31	276,250,000.00	345,807,792.74	5,430,612,780.54
Movements for the period ended 30 June 2025						
Consolidated net profit	-	-	-	-	37,481,383.62	37,481,383.62
Net profit	-	-	-	-	37,481,383.62	37,481,383.62
Withdrawal in the current period	-	-	4,161,599.58	-	-	4,161,599.58
Use in the current period	-	-	(2,502,108.79)	-	-	(2,502,108.79)
Others	-	321,273.01	-	-	-	321,273.01
Business combination under common control	-	(212,502,900.00)	-	-	(212,502,900.00)	
At 30 June 2025(unaudited)	552,500,000.00	4,042,573,230.50	2,959,621.10	276,250,000.00	383,289,176.36	5,257,572,027.96
At 1 January 2024	552,500,000.00	4,254,754,857.49	-	276,250,000.00	336,321,553.65	5,419,826,411.14
Movements for the period ended 30 June 2024						
Consolidated net profit	-	-	-	-	110,533,518.19	110,533,518.19
- Net profit	-	-	-	-	110,533,518.19	110,533,518.19
Withdrawal in the current period	-	-	3,983,279.27	-	-	3,983,279.27
Use in the current period	-	-	(2,212,535.36)	-	-	(2,212,535.36)
Others	-	478,823.53	-	-	-	478,823.53
Distribution to owners (or shareholders)	-	-	-	-	(110,500,000.00)	(110,500,000.00)
At 30 June 2024 (unaudited)	552,500,000.00	4,255,233,681.02	1,770,743.91	276,250,000.00	336,355,071.84	5,422,109,496.77

Legal representative:
Li Jiangping

Principal in charge of accounting:
He Hongfeng

Head of accounting department:
Jin Shufang

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

I. GENERAL INFORMATION

Xinjiang Xinxin Mining Industry Co. Ltd. (hereinafter referred to as the “Company” and, when including subsidiaries, referred to as the “Group”) was incorporated on 1 September 2005 in Urumqi, Xinjiang Uygur Autonomous Region of the People’s Republic of China (hereinafter referred to as the “PRC”) together by Xinjiang Non-ferrous Metal Industry (Group) Ltd. (hereinafter referred to as the “Non-ferrous Group”), Shanghai Yilian Kuangneng Co. Ltd. (hereinafter referred to as the “Shanghai Yilian”), Zhongjin Investment (Group) Ltd. (hereinafter referred to as the “Zhongjin Investment”), Xiamen Zijin Technology Co., Ltd. (now changed the name to Zijin Mining Group (Xiamen) Investment Co., Ltd. hereinafter referred to as the “Xiamen Zijin”), Xinjiang Xinying New Material Co., Ltd. (hereinafter referred to as the “Xinjiang Xinying”) and Shaanxi Honghao Industry Co. Ltd. (hereinafter referred to as the “Shaanxi Honghao”). Non-ferrous Group is the holding company of the Company. The Company was established with a total equity of RMB300,000,000.00 which was valued at RMB1 per share.

On 19 May 2006, the Company issued 80,000,000 new shares at a value of RMB1 each, the registered capital increased from RMB300,000,000.00 to RMB380,000,000.00. Non-ferrous Group injected its land use rights of Kalatongke Mine and Fukang Refinery as increased capital. Shanghai Yilian, Zhongjin Investment, Xiamen Zijin, Xinjiang Xinying, and Shaanxi Honghao paid the increased capital in cash.

Pursuant to a resolution of the shareholders of the Company dated 11 May 2007 and the approval from China Securities Regulatory Commission dated 29 August 2007, each share of RMB1 was subdivided into four shares of RMB0.25 each with effect from 27 September 2007. The total number of shares immediately after the share split was 1,520,000,000.

In October 2007, the Company completed the issue of 690,000,000 H shares of RMB0.25 each at HKD6.5 (equivalent to approximately RMB6.3) per share as a result of the Initial Public Offering and listing of the Company’s H shares on the Main Board of The Stock Exchange of Hong Kong Limited. In addition, pursuant to the relevant approval from the State-owned Assets Supervision and Administration Commission of the State Council (the “SASAC”), upon the completion of the H share listing, 69,000,000 domestic shares held by Non-ferrous Group were converted into an equivalent number of H shares which par value was RMB0.25 and transferred to the National Council for Social Security Fund of the PRC. Total capital increased to RMB552,500,000.00 after this issue.

On 9 March 2016, Shaanxi Honghao transferred all 6,272,000 domestic shares that it held in the Company to Shaanxi Guangyou Trading Co., Ltd. (hereinafter referred to as the “Shaanxi Guangyou”) through negotiated assignment.

From 2008 to the reporting period, there was no change in the share capital, which was RMB552,500,000.00. The Group is principally engaged in the mining, ore processing, smelting, refining of nickel, copper, and vanadium, and sales of nickel, copper, and other non-ferrous metal products.

These financial statements were filed with the approval of the Board of Directors of the Company on 29 August 2025.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

II. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

1. Basis for preparation

The Group's financial statements are prepared in accordance with the Accounting Standards for Enterprises and their application guidelines, interpretations and other relevant provisions promulgated by the Ministry of Finance (collectively referred to as the "Accounting Standards for Enterprises") and the disclosure regulations of the China Securities Regulatory Commission (hereinafter referred to as the China Securities Regulatory Commission) No. 15 – General Provisions on Financial Reports for Companies Offering Public Securities (revised in 2023).

Certain relevant matters in these financial statements have been disclosed in accordance with the requirements of the Companies Ordinance of Hong Kong.

2. Going concern

These financial statements are prepared on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates formulated by the Group in accordance with the actual production and operation characteristics include the method of providing for expected credit losses on receivables, the valuation method of inventories, depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets, judgmental criteria for the capitalization of development expenditures, impairment of long-term assets, and recognition and measurement of income.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The 2025 interim financial statements comply with the requirements of the Accounting Standards for Business Enterprises and truly, completely reflect the consolidated and Company's financial position as of 30 June 2025 and the consolidated and Company's results of operations and cash flows for the 2025 interim period, and other related information.

2. Accounting year

The accounting year of the Group is from 1 January to 31 December of the calendar year.

3. Recording currency

The recording currency of the Company is Renminbi (RMB). The financial statements are presented in RMB.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Methodology for determining materiality criteria and basis for selection

The Group follows the principle of materiality in the preparation and disclosure of its financial statements. The disclosures in the notes to the financial statements that involve materiality judgments and the methodology for determining and selecting the materiality criteria are as follows:

Disclosures involving materiality criteria judgments	Methodology for determining materiality criteria and basis for selection
Significant accounts receivable with single provision for bad debt reserves	The single provision amount accounts for more than 10% of the total bad debt provision for various receivables and the amount more than RMB1 million
Significant bad debt provision recovery or reversal	The single recovery or reversal amount accounts for more than 10% of the total bad debt reserves of various receivables and the amount more than RMB1 million
Significant accounts receivable write off	The single write-off amount accounts for more than 10% of the total amount of various receivables and the amount more than RMB1 million
Accounts payable/other payables aging over 1 year	Single accounts payable/other payables aging over one year accounted for more than 10% of total accounts payable/other payables and the amount more than RMB1 million
Significant construction projects in progress	Single construction-in-progress project budget more than RMB40 million
Significant estimated liabilities	Estimated liabilities of a single type account for more than 1% of the total estimated liabilities and the amount exceeds RMB20 million
Significant joint ventures or associates	The book value of long-term equity investments in a single invested entity accounts for more than 2% of the Group's net assets and the amount is more than RMB100 million

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Accounting for business combinations under common control and not under common control

(1) Business combinations involving entities under common control

The consideration paid and net assets obtained by the combining party in a business combination are measured at the book value. If the combined party is acquired from a third party by the ultimate controlling party in a prior year, the consideration paid, and net assets obtained by the combining party are measured based on the book values of the combined party's assets and liabilities (including the goodwill arising from the acquisition of the combined party by the ultimate controlling party) presented in the consolidated financial statements of the ultimate controlling party. The difference between the book value of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issuance of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

(2) Business combinations involving entities not under common control

The cost of combination and identifiable net assets obtained by the acquirer in a business combination are measured at fair value at the acquisition date. Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill. Where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and cease to be consolidated from the date that such control ceases. Subsidiaries are consolidated from the date the Group obtains control and cease to be consolidated from the date that such control ceases. For subsidiaries acquired in a business combination under common control, they are included in the Company's scope of consolidation from the date on which they come under the control of the same ultimate controlling party as the Company, and their net profits realized before the consolidation date are presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and its subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions, and unrealized profits are eliminated in the consolidated financial statements. The portion of the subsidiaries' shareholders' equity, net profit or loss for the period and comprehensive income that is not attributable to the Company's ownership is presented separately in the consolidated financial statements under shareholders' equity, net profit or loss, and total comprehensive income attributable to minority shareholders as minority interest, minority profit or loss, and total comprehensive income attributable to minority shareholders, respectively. If the minority shareholders' share of the subsidiary's current loss exceeds the minority shareholders' share of the subsidiary's owners' equity at the beginning of the period, the balance is eliminated to reduce the minority shareholders' equity.

Unrealized gains or losses on internal transactions, if they are caused by the sale of assets by the Company to a subsidiary, are fully offset against net income attributable to shareholders of the parent company; if they have resulted from the sale of assets by a subsidiary to the Company, they are allocated to offset between net income attributable to shareholders of the parent company and minority interests in proportion to the Company's allocation to that subsidiary; if they arise from the sale of assets between subsidiaries, they are allocated to offset between net income attributable to shareholders of the parent company and minority interests in proportion to the parent company's allocation to the seller's subsidiary.

A transaction will be adjusted from the perspective of the Group in the condition that assertions are different when accounting entities are the Group and the Company or its subsidiaries.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Foreign currency transactions

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at that date. Exchange differences arising from specialized borrowings in foreign currencies for the purpose of acquiring and constructing assets that qualify for capitalization of borrowing costs are capitalized in the period in which they are capitalized. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

9. Financial instruments

A financial instrument refers to any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of the other parties. The Group recognizes a financial asset or a financial liability when the Group becomes a party to the contractual provisions of a financial instrument.

(1) Financial assets

1) Classification & Measurement

According to the business model of financial assets management and the contractual cash flow characteristics of financial assets, the Group classifies its financial assets in the following categories: (1) financial assets carried at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial assets are measured at fair value at initial recognition. For financial assets at fair value through profit or loss, the related transaction costs are recognized directly in the current profit or loss; for other categories of financial assets, the related transaction costs are recognized in the initial recognition amount. For accounts receivable or notes receivable arising from the sale of goods or provision of services that do not contain or consider significant financing components, the Group recognizes them initially at the amount of the consideration to which it expects to be entitled.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial assets (Continued)

1) Classification and Measurement (Continued)

Debt instruments

The debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the issuers' perspective. There are three categories into which the Group classifies its debt instruments:

Measured at amortized cost:

The Group's business model for managing such financial assets is to collect the contractual cash flows, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. That is, the cash flows generated on a specific date, represent solely payment of the principal and interest on the outstanding principal amount. The Group recognizes interest income for such financial assets in accordance with the effective interest method. Such financial assets mainly include cash at bank and on hand, notes receivable, accounts receivable, other receivables, debt investments, and long-term receivables. The Group presents debt investments and long-term receivables due within one year (including one year) from the balance sheet date as non-current assets due within one year; debt investments due within one year (including one year) at the time of acquisition are presented as other current assets.

Measured at fair value through other comprehensive income:

The Group's business model for managing such financial assets is achieved both by collecting contractual cash flows and from the sale of these assets. The contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. Such financial assets are measured at fair value through other comprehensive income, but impairment losses or gains, exchange gains and losses, and interest income calculated by the effective interest method are recognized in the current profit or loss. Such financial assets mainly include receivables financing, other debt investments, etc. The Group's other debt investments due one year (including one year) from the balance sheet date are shown as non-current assets due within one year; other debt investments due within one year (including one year) at the time of acquisition are shown as other current assets.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial assets (Continued)

1) Classification and Measurement (Continued)

Measured at fair value through profit or loss:

The Group classifies debt instruments held that are not classified as at amortized cost and at fair value through other comprehensive income as at fair value through profit or loss. In order to eliminate or significantly reduce accounting mismatch on initial recognition, the Group designates part of financial assets as financial assets at fair value through profit or loss. The assets with a maturity of more than 1 year and expected to be held for more than 1 year are presented in other non-current financial assets, others are presented in financial assets held for trading.

Equity instruments

Investments in equity instruments, over which the Group has no control, joint control, or significant influence, are measured at fair value through profit or loss under financial assets held for trading; investments in equity instruments expected to be held for over one year as from the balance sheet date are included in other non-current financial assets.

In addition, a portion of certain investments in equity instruments not held for trading is designated as financial assets at fair value through other comprehensive income upon initial recognition under other investments in equity instruments. The relevant dividend income of such financial assets is recognized in profit or loss for the current period.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial assets (Continued)

2) Impairment of financial assets

The Group recognizes loss provisions based on expected credit losses for financial assets measured at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, lease receivables, and financial guarantee contracts.

The Group recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under a contract and the cash flows expected to be received, weighted by the risk of default, considering reasonable and substantiated information about past events, current conditions and projections of future economic conditions that are available at the balance sheet date without undue additional cost and effort.

For notes receivable, accounts receivable, financing receivables, and contract assets arising from ordinary operating activities, such as sales of goods and rendering of services, the Group measures the loss allowance based on expected credit losses over the entire duration, regardless of whether there is a significant financing component. For lease receivables, the Group also elects to measure the loss allowance based on expected credit losses over the entire duration.

Except for notes receivable, accounts receivable, financing receivables, contract assets, and lease receivables mentioned above, at each balance sheet date, the Group measures separately the expected credit losses on financial instruments in different stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, the financial instrument is in stage 1, and the Group measures the loss allowances based on the expected credit losses in the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition, but credit impairment has not occurred, the financial instrument is in stage 2, and the Group measures the loss allowances based on the expected credit losses over the entire duration of the instrument; and if a financial instrument has been impaired since initial recognition, the financial instrument is in stage 3, and the Group measures the loss allowances based on the expected credit losses over the entire duration of the instrument.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial assets (Continued)

2) Impairment of financial assets (Continued)

For financial instruments with low credit risk at the balance sheet date, the Group assumes that there has been no significant increase in credit risk since initial recognition, recognizes them as financial instruments in stage 1, and measures the loss allowances based on the expected credit losses in the next 12 months.

The Group calculates interest income on financial instruments in stages 1 and 2 on the basis of their book balance before the provision for impairment and the effective interest rate. For financial instruments in stage 3, interest income is calculated on the basis of their book balance less amortized cost after provision for impairment and the effective interest rate.

When information on expected credit losses cannot be assessed at a reasonable cost for a single financial asset, the Group classifies receivables into portfolios based on credit risk characteristics, calculates expected credit losses on a portfolio basis, and determines the portfolios on the following basis:

Related party portfolio

Related Party Customers

Unrelated party portfolio

Unrelated Party Customers

For the receivables, lease receivables, notes receivable, and financing receivables derived from daily business activities such as sales of goods and rendering of services, which are classified as portfolios, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of future economic conditions, and based on the exposure at default and lifetime expected credit loss rate throughout its lifetime. The other notes receivable, financing receivables and other receivables, and long-term receivables are divided into portfolios, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic conditions, and based on the exposure at default and lifetime expected credit loss rate within the next 12 months or throughout its lifetime.

The Group recognizes the gains or losses in profit or loss of the provision or reversal of the impairment. In the case of a debt instrument held at fair value through other comprehensive income, the Group adjusts other comprehensive income while recording gain or loss in current profit or loss.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial assets (Continued)

3) Derecognition of financial assets

A financial asset is derecognized when any of the below criteria are met: (i) the contractual rights to receive the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers all the risks and rewards of ownership of the financial asset substantially to the transferee; or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

Upon derecognition of investments in other equity instruments, the difference between their book value and the sum of the consideration received and the accumulated changes in fair value that had been recognized directly in other comprehensive income is recognized in retained earnings, as derecognizing the remaining financial assets, it is recognized in profit or loss.

(2) Financial liabilities

Financial liabilities are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss at initial recognition.

The Group's financial liabilities are mainly financial liabilities measured at amortized cost, including notes payable, accounts payable, other payables, borrowings and bonds payable, etc. The financial liabilities are initially measured at fair value exclusive transaction costs and are subsequently measured at the effective interest rate method. Financial liabilities with maturities within 1 year (including one year) are presented in current liabilities. Financial liabilities with maturities of more than 1 year but are due within 1 year (including one year) at the balance sheet date are presented in the current portion of non-current liabilities. Others are presented in non-current liabilities.

When the present obligation of financial liabilities is discharged in whole or in part, the Group shall derecognize the financial liabilities or the portion of the obligation that is discharged. The difference between the book value of the derecognized portion and the consideration paid is recognized in profit or loss.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(3) The fair value of the financial instrument is determined

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. For financial instruments that are not traded in an active market, valuation techniques are used to determine their fair value. In making a valuation, the Group uses valuation techniques that are appropriate in the circumstances and supported by sufficient available data and other information to select inputs that are consistent with the characteristics of the assets or liabilities that would be considered by a market participant in a transaction for the related assets or liabilities, with preference given to the use of relevant observable inputs where possible. Where relevant observable inputs are not available or not practicable to obtain, unobservable inputs shall be used.

10. Inventories

(1) Classification

Inventories include raw materials, work in progress, semi-finished goods, and finished goods, which are measured at the lower of cost and net realizable value.

(2) Valuation method of issuing inventory

Cost is determined using the weighted average method. The cost of finished goods, semi-finished goods, and work in progress comprise raw materials, direct labor and systematically allocated production overhead based on the normal production capacity.

(3) Basis for determining net realizable values of inventories and method for making provision for a decline in the value of inventories

Provision for a decline in the value of inventories is made for the difference between the cost of inventories and their net realizable value. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated contract performance costs and selling expenses, and related taxes.

(4) Inventory system

The Group adopts the perpetual inventory system.

(5) Amortization methods for low-value consumables and packaging

Low-value consumables are amortized using the step-by-step amortization method, and packaging materials are amortized using the one-time write-off method.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investment

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries and the Group's long-term equity investments in its joint ventures.

Subsidiaries are investees over which the Company can exercise control. A joint venture is a joint arrangement entered into by the Group through a separate entity over which the Group can exercise joint control with other parties and over which the Group has rights only to the net assets by virtue of legal form, contractual terms, and other facts and circumstances.

Investments in subsidiaries are presented in the Company's financial statements using the cost method and are adjusted to the equity method when preparing the consolidated financial statements. Investments in joint ventures are accounted for using the equity method. Accounting policies of joint ventures are consistent with the policies adopted by the Group.

(1) Determined of investment cost

For long-term equity investments acquired through a business combination under common control, the cost of the investment is recognized at the date of the combination as the share of the book value of the equity in the consolidated financial statements of the ultimate controlling party; for long-term equity investment acquired through a business combination not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of related profit and loss

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognized as investment income in profit or loss for the current period.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

(2) Subsequent measurement and recognition of related profit and loss(Continued)

For long-term equity investments accounted for using the equity method, the Group recognizes the investment income according to its share of the net profit or loss of the investee. The Group discontinues recognizing its share of net losses of an investee after the book value of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognizing the investment losses and the provisions. Changes in the owners' equity of the investee other than net profit or loss, other comprehensive income, and profit distribution shall be adjusted to the book value of the long-term equity investment and credited to the capital reserve. The book value of long-term equity investments shall be reduced accordingly to the Group's share of profits or cash dividends distributed by the investee when the distribution is declared.

The unrealized profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees and then based on which the investment gains or losses in the Company's financial statements are recognized. In preparing the consolidated financial statements, for the portion of unrealized gains and losses on internal transactions attributable to the Group arising from downstream transactions in which the Group invests in or sells assets to the investee, the Group shall offset the portion of unrealized revenues and costs or gains or losses on the disposal of assets attributable to the Group on the basis of offsetting in the financial statements of the Company and shall adjust the investment income accordingly. For the portion of unrealized gains and losses on internal transactions attributable to the Group arising from countercurrent transactions in which the investee invests in or sells assets to the Group, the Group shall, on the basis of the offsetting in the financial statements of the Company, offset the portion of unrealized gains and losses on internal transactions attributable to the Group included in the book value of the relevant assets, and adjust the book value of long-term equity investments accordingly. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealized loss is not eliminated.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

*For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)*

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

(3) Basis for determining the existence of control, joint control, or significant influence over investees

The control principle sets out the following three elements of control, power over the investee, exposure, or rights, to variable returns from involvement with the investee, and the ability to use power over the investee to affect the amount of those returns.

Joint control is control over an arrangement that is shared in accordance with the relevant agreement and where the relevant activities of the arrangement require the unanimous agreement of the Group and the other participants sharing control before decisions can be made.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

(4) Impairment of long-term equity investments

Long-term equity investments in subsidiaries, joint ventures, and associates are recorded at book value by reducing the book value to the recoverable amount when the recoverable amount is lower than the book value (Note III.20).

12. Investment properties

Investment properties, including land use rights that have already been leased out, buildings that are held for leasing, and buildings that are being constructed or developed for future use for leasing, are initially measured by cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognized in profit or loss for the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Investment properties (Continued)

The Group adopts a cost model for subsequent measurement of all investment properties, using the straight-line method and depreciating or amortizing buildings and land use rights based on their estimated useful lives and net residual value rates. The estimated useful lives, net residual values rates, and annual depreciation (amortization) rates of investment properties are shown below:

Type	Period of depreciation (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
Land use rights	50	0.00	2.00
Buildings	50	5.00	1.90

When an investment property is transferred to owner-occupied property, it is reclassified as a fixed asset or intangible asset. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is transferred to investment properties. When conversion occurs, the book value before conversion shall be taken as the entry value after conversion.

The estimated useful lives, estimated net residual values, and depreciation (amortization) method of the investment property are reviewed and adjusted as appropriate at the end of each year.

When an investment property is disposed of or permanently withdrawn from use, and no economic benefits are expected from its disposal, the investment property is derecognized. The amount of disposal of the investment property from sale, transfer, scrapping, or destruction shall be included in the current profit or loss after deducting its book value and relevant taxes and fees.

When the recoverable amount of investment properties is less than the book value, the book value is written down to the recoverable amount (Note III.20).

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Fixed assets

(1) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, mining structures, machinery, transportation equipment, and electronic and office equipment.

Fixed assets are recognized when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the acquisition date. The fixed assets contributed by the State shareholders at the reorganization of the Company into a corporation entity are recognized based on the evaluated amounts approved by the state-owned assets administration department.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The book value of the replaced part is derecognized. All the other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

(2) Depreciation method of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives but mining structures. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based on the adjusted book values over their remaining useful lives.

The estimated service life, net residual value, and annual depreciation rate of fixed assets outside the construction of the tunnel are listed as follows:

No.	Type	Period of Depreciation (years)	Estimated salvage value rate (%)	Annual depreciation rate (%)
1	Buildings	5-50	3 or 5	1.90-19.00
2	Machinery	5-30	3 or 5	3.23-19.40
3	Transport equipment	4-15	3 or 5	6.47-24.25
4	Electronics and office equipment	3-20	3 or 5	4.75-31.67

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Fixed assets (Continued)

(2) Depreciation method of fixed assets (Continued)

Mining structures comprise underground and auxiliary tunnels. Depreciation of mining structures is provided using the output method.

The estimated useful life, the estimated net residual value of a fixed asset, and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at least at each year-end.

(3) Impairment compensation of fixed assets

When the recoverable amount of a fixed asset is less than the book value, the book value is written down to the recoverable amount (Note III.20).

(4) Disposal of fixed assets

A fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, retirement, or damage of a fixed asset net of its book value and related taxes and expenses is recognized in profit or loss for the current period.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalization, and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins the following month. When the recoverable amount of construction in progress is less than the book value, the book value is written down to the recoverable amount (Note III.20).

Construction in progress is transferred to fixed assets when it reaches its intended useable condition, based on the following criteria:

Item	Criteria for carrying forward fixed assets
Buildings	From the date of reaching the intended usable state
Machinery	Complete installation and commissioning, meet design requirements and complete trial production

15. Borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a fixed asset that needs a substantially long period of acquisition and construction for its intended use commence to be capitalized and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalization of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use, the borrowing costs incurred thereafter are recognized in profit or loss for the current period. Capitalization of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption lasts for more than 3 months until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by deducting any interest earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalization period.

For the general borrowings obtained for the acquisition or construction of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying the weighted average effective interest rate of general borrowings used, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings. The effective interest rate is the rate at which estimated future cash flows during the period of expected duration or shorter period are applied discounted to the initial amount of the borrowings.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Intangible assets

Intangible assets include mining rights, exploration rights, land use rights, and others, and are initially measured at cost or fair value.

(1) Mining rights

Mining rights are stated at the actual cost. While mining rights acquired by the business combination are recognized at the fair value at the acquisition date, then subsequently are recorded at cost less accumulated amortization and impairment losses. Once the mineral object has been formally mined, the mining rights are amortized on the output method.

(2) Exploration rights

Exploration rights acquired by business combinations not under common control are recognized at the fair value at the acquisition date. Upon transformation to mining rights, accounting policies relating to mining rights are used to account for them.

(3) Land use rights

Land use rights invested by the share shareholders holders are recognized at the value agreed by all the shareholders unless the agreed value is not fair. Purchased land use rights are stated at actual cost, while land use rights acquired by the business combination are recognized at the fair value at the acquisition date, then subsequently are recorded at cost less accumulated amortization and impairment losses. Land use rights are amortized on a straight-line basis over the period of the land use rights varying from 10 to 70 years.

(4) Periodical review useful life and amortization methods

For an intangible asset with a finite useful life, a review of its useful life and amortization method is performed at each year-end, with adjustments made as appropriate.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

*For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)*

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Intangible assets (Continued)

(5) Research and development

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at the end of the project.

Expenditure on the research phase is recognized in profit or loss in the period in which it is incurred. Expenditure on the development phase is capitalized only if all the following conditions are satisfied:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset, and use or sell it;
- it can be demonstrated how the intangible asset will generate economic benefits;
- there are adequate technical, financial, and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development phase can be reliably measured.

Development expenditures that do not meet the above criteria are recognized in profit or loss as incurred. Development expenditures charged to profit or loss in prior periods are not re-recognized as assets in subsequent periods. Expenditures in the development stage that have been capitalized are presented as development expenditures on the balance sheet and are transferred to intangible assets from the date the project reaches its scheduled use.

(6) Impairment of intangible assets

When the recoverable amount of the intangible asset is less than the book value, the book value is written down to the recoverable amount (Note III.20).

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Exploration assets and filling cost

The Group's exploration assets include topographical and geological exploration, exploration drilling, sampling, trenching, and relevant commercial and technical feasibility studies, and the expenditure arising from expanding existing orebody exploration and improving the orebody productivity.

At the initial stage of the exploration project, exploration and evaluation expenditures are recognized in profit or loss when they occur. When the project has technical feasibility and commercial feasibility, the exploration and evaluation expenditures (including the cost of purchasing the mineral exploration right) are capitalized into exploration and evaluation assets by individual projects.

Exploration and evaluation assets are recorded in construction in progress, transferred to fixed assets or intangible assets at the date that the assets are ready for their intended use, and are depreciated or amortized over the term of the rights. When the project is aborted, the relevant unrecoverable cost will be written off and recognized in profit or loss when it occurred.

Infill costs incurred after the extraction of the deposit are included in production costs.

18. Goodwill

Goodwill is recognized at the excess of the cost of a business combination not under common control over the interest in the fair value of the acquirees' identifiable net assets acquired in the business combination as at the acquisition date.

19. Long-term prepaid costs

Long-term prepaid expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognized as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortized on a straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortization.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Impairment of long-term assets

Fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, investment property measured by cost method, and long-term equity investments in subsidiaries, joint ventures, and associates are tested for impairment if there is any indication that an asset may be impaired at the balance date. For intangible assets that have not been ready to use, regardless of the existence of the indicators of impairment losses, the impairment tests should be carried out annually. If the result of the impairment test indicates that the recoverable amount of the asset is less than its book value, a provision for impairment and an impairment loss is recognized for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on an individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that can generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the book value of goodwill is allocated to the related asset groups or groups of asset groups that are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the allocated goodwill, is lower than its book value, the corresponding impairment loss is recognized.

The impairment loss is first deducted from the book value of goodwill that is allocated to the asset group or group of asset groups and then deducted from the book value of other assets within the asset groups or groups of asset groups in proportion to the book value of assets other than goodwill.

Once the above asset impairment loss is recognized, it will not be reversed for the value recovered in the subsequent periods.

21. Employee benefits

Employee benefits mainly include short-term employment benefits, post-employment benefits, and termination benefits incurred in exchange for service rendered by employees or labor relations terminated.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Employee benefits (Continued)

(1) Short-term employment benefits

Short-term employment benefits mainly include wages or salaries, bonuses, allowances and subsidies, staff welfare, medical insurance, work injury insurance, maternity insurance, housing funds, labor union funds, employee education funds, short-term payable leaves, etc. The Group recognizes short-term employment benefits actually incurred as liabilities in the accounting period in which the employee provides the services and recognizes them in current profit or loss or in the cost of the related assets. Non-monetary benefits are measured at fair value.

(2) Post-employment benefits

Post-employment benefits are classified as defined contribution plans and defined benefit plans. A defined contribution plan is a post-employment benefits plan in which the Group is not obliged to make further payments after paying a certain amount to individual funds. Defined benefit plans are other post-employment benefits plans except for defined contribution plans. During the reporting period, the Group's post-employment benefits mainly include basic pension insurance, unemployment insurance, and enterprise annuity for employees, which are all defined contribution plans.

Basic pension benefits

Employees of the Group participate in the defined contribution pension plan set up and administered by local labor and social security departments. Based on the salaries of the employees, basic pensions are provided monthly according to stipulated proportions, which are paid to local labor and social security institutions. After the employees are retired, the local labor and social security departments have the responsibility to pay basic pension benefits to them. Basic pension benefits are recognized as payables in the accounting period in which an employee has rendered service, as costs of assets or expenses to whichever the employee service is attributable.

(3) Termination benefits

Termination benefits are payables when employment is terminated by the Group before the employment contract expires, or compensation is provided as an offer to encourage employees to accept voluntary redundancy. The Group recognizes termination benefits as liabilities and charges to profit or losses at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of termination plan; and (ii) when the Group recognizes costs for restructuring which involves the payment of termination benefits.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Employee remuneration (Continued)

(4) Cash stock appreciation right

The Group provides cash stock appreciation rights to serving employees who meet certain conditions and are paid according to a predetermined schedule. The Group conducts initial measurement of cash stock appreciation rights liabilities based on the best estimate of the expenditures required to perform relevant current obligations and includes them in current expenses. In the initial measurement, the Group comprehensively considers factors such as employee turnover rate. On the balance sheet date, review the book value of the cash stock appreciation rights liability and make appropriate adjustments to reflect the current best estimate.

22. Share based payment

(1) Cash-settled share-based payment

The Group's stock appreciation rights plan is a cash-settled share-based payment, which is measured at the fair value of the liabilities assumed by the Group based on the Company's shares. The cash-settled share-based payment shall be exercised only after completing the service within the waiting period and meeting the specified performance conditions. On each balance sheet date of the waiting period, the option shall be based on the best estimate of the vesting situation and shall be borne by the Group in accordance with the fair value of liabilities, the services obtained in the current period are included in costs or expenses, and liabilities are increased accordingly. On each balance sheet date and settlement date before the settlement of the relevant liabilities, the fair value of the liabilities is re-measured, and the changes are included in the current profit and loss.

(2) Basis for recognizing the best estimate for unlockable or exercisable equity instruments

On each balance sheet date of the waiting period, the Group makes the best estimate based on the latest follow-up information such as the change in the number of employees who can be unlocked or vested, and revise the estimated number of equity instruments that can be unlocked or vested. On the unlockable or exercisable date, the final estimated number of unlockable or exercisable equity instruments is consistent with the actual number of unlockable or exercisable equity instruments

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Special payables

Special payables are the special or specific purpose funds that the Group obtained from governments as the owner of the enterprise, which should be included in the special payables when the funds are received. After the completion of the specific project, the expenditure that forms assets is recognized as deferred income according to actual costs. Other expenditures that do not form assets, which need to be handed in or written off, should be written down from the special payables after approval.

24. Dividend distribution

A cash dividend is recognized as a liability for the period in which the dividend is approved by the annual general meeting.

25. Provisions

Certain present obligations are required as a result of events that have already occurred and are recognized as provisions when it is probable that an outflow of economic benefits will result from the performance of the operation and the amount can be measured reliably. Provisions for closure of tailings and environmental restoration are recognized when the Group has a present obligation, an outflow of economic benefits will probably be required to settle the obligation, and the amount of the obligation can be measured reliably. Asset retirement obligations that meet the criteria of provisions are recognized as provisions and the amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related fixed assets of an amount equivalent to the provision is also created. This is subsequently depleted as part of the costs of the fixed assets. Interest expenses from the assets retirement obligations for each period are recognized with the effective interest method during the useful lives of the related fixed assets. If the conditions for the recognition of the provisions are not met, the expenditures for the decommissioning, removal, and site cleaning will be expensed in the income statement when occurred.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties, and the time value of money, are considered in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from the passage of time is recognized as interest expense.

The book value of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Revenue recognition

The Group recognizes revenue based on the transaction price allocated to the performance obligation when the Company satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. Obtaining control over relevant goods or services means being able to lead the use of such goods or services and gain almost all of the economic benefits from them.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

It is a performance obligation satisfied during a period of time and the Company recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met:

- The customer obtains and consumes economic benefits at the same time of the Company's performance;
- The customer is able to control goods or services in progress during the Company's performance.
- Goods or services generated during the Company's performance have irreplaceable utilization, and the Company is entitled to collect amounts of cumulative performance part which have been done up to now.

For the performance obligations fulfilled within a certain period, the Group recognizes revenue during that period in accordance with the progress of performance, except where the progress of performance cannot be reasonably determined. The Group considers the nature of the goods or services and determines the progress of performance by using the output or input method. When the progress of performance cannot be reasonably determined and the costs incurred are expected to be compensated, the Group recognizes revenue based on the amount of costs incurred until the progress of performance can be reasonably determined.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Revenue recognition (Continued)

For performance obligations fulfilled at a point in time, the Group recognizes revenue at a point time when the customer acquires control of the relevant goods or services. When determining whether a customer has obtained control of the goods or services, the Group considers the following signs:

- The Group has the right to receive payment for the goods or services at present, that is, the customer is obligated to make payment for the goods or services at present.
- The Group has transferred the legal ownership of the commodity to the customer, that is, the customer already has the legal ownership of the commodity.
- The Group has physically transferred the commodity to the customer, that is, the customer has physically occupied the commodity.
- The Group has transferred the principal risks and rewards of ownership of the commodity to the customer, that is, the customer has obtained the principal risks and rewards of ownership of the commodity.
- The customer has accepted the goods or services, etc.

(1) Sales of goods

Sales are recognized when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected the products and signed acceptance notices. There is no significant financing component as the sales are made with a credit term varied by customers' credit risk characteristics, which is consistent with market practices. Advance received from customers is presented as contract liabilities in the balance sheet.

When the Group acquires control of the related goods, the Group recognises revenue in the amount of consideration expected to be entitled to be received.

(2) Provided services

When the Group acquires control of the Services, the Group recognises revenue in the amount of consideration expected to be entitled to be received.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Safety production costs

Pursuant to Regulation No. [2022]136, "Management Measures of Accrual and Use of Safety Fund of Business Enterprises", issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to accrue safety production costs. Safety production cost is earmarked for improving the safety of production.

Pursuant to Regulation No. [2010]8, "Accounting Standards for Business Enterprises Interpretation No. 3", issued by the Ministry of Finance on 21 June 2010, enterprises in high-risk industries should accrue safety production costs under China's law and regulation, and safety production cost should be accrued to production costs or current profit or loss, and credited to special reserves. When the Group uses the extracted production safety fees, if it is an expense, it should be directly offset against the special reserves. The safety production costs of the Group that is formed into fixed assets through a collection of construction in progress are recognized as fixed assets when the safety projects are completed and to the expected conditions for use; at the same time, the special reserves are written down through the costs of formed fixed assets, and the same amount is confirmed to accumulated depreciation. For these fixed assets, there will be no further depreciation in the following accounting periods.

28. Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government, including tax returns, financial subsidies, etc.

Government grants are recognized when the grants can be received and the Group can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to government grants that are obtained by the Group for the purposes of purchase, construction, or acquisition of long-term assets. Government grants related to income refer to government grants other than those related to assets.

Government grants related to assets are either deducted against the carrying amount of the assets or recorded as deferred income and recognized in profit or loss on a systematic reasonable over the useful lives of the assets. Government grants related to income that compensate the future costs, expenses, or losses are recorded as deferred income and recognized in profit or loss, or deducted against related costs, expenses, or losses in reporting the related expenses; government grants related to income that compensate the incurred costs, expenses or losses are recognized in profit or loss, or deducted against related costs, expenses or losses directly in the current period. The Group applies the presentation method consistently to similar government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit, otherwise, they are recorded in non-operating income or expenses.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences arising between the tax bases of assets and liabilities and their book values (temporary differences). Deferred tax asset is recognized for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognized for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognized for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Deferred tax assets are only recognized for deductible temporary differences, deductible losses, and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses, and tax credits can be utilized.

Deferred tax liabilities are recognized for temporary differences arising from investments in subsidiaries, joint ventures, and associates, except where the Group can control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, joint ventures, and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilized, the corresponding deferred tax assets are recognized.

Deferred tax assets and deferred tax liabilities that also meet the following conditions are presented net of offsetting amounts:

- The deferred tax assets and liabilities are related to the same taxpayer within the Group and the same taxation authority; and
- That tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Lease

Leases, refer to a contract in which the lessor transfers the right to use the assets to the lessee for consideration in a certain period.

The Group as the lessee

The Group recognizes the right to use assets at the beginning of the lease term and recognizes the lease liabilities by the present value of unpaid lease payments. Lease payments include fixed payments and payments to be made in the case of a reasonable determination of the exercise of the purchase option or termination of the lease option. The variable rent determined according to a certain proportion of sales volume is not included in the rental payment amount but is included in the current profit and loss when it occurs. The Group's lease liabilities payable within one year (including one year) from the balance sheet date are listed as non-current liabilities due within one year.

Right-of-use assets of the Group comprise leased buildings and land use rights. Right-of-use assets are measured initially at cost which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date, and any initial direct costs, less any lease incentives received. If the Group is able to obtain ownership of the leased asset at the end of the lease term with reasonable certainty, depreciation is provided over the remaining useful life of the leased asset; if it cannot be reasonably certain that the ownership of leased assets can be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life. When the recoverable amount is less than the book value of the right-of-use asset, the Group writes down the book value to its recoverable amount.

For short-term leases with a lease term not exceeding 12 months and leases of low-value assets with a low brand-new value of a single asset, the Group chooses not to recognize right-of-use assets and lease liabilities and to recognize the related rental expenses in profit or loss or costs of the related assets on a straight-line basis over each period of the lease term.

The Group as a lessor

A lease that in substance transfers substantially all the risks and rewards incidental to ownership of an asset is a finance lease. Others are classified as operating leases.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Lease (Continued)

The Group as Lessor (Continued)

(1) Operating leases

Where the Group leases out self-owned buildings, machinery and equipment, and motor vehicles under operating leases, the rental income therefrom is recognized on a straight-line basis over the lease term. Variable rental that is linked to a certain percentage of sales is recognized in rental income as incurred.

When the lease is changed, the Group regards it as a new lease from the effective date of the change and regards the advance receipts or lease receivables related to the lease before the change as the receipts for the new lease.

31. Fair value measurement

The Group measures investments in equity instruments at fair value at each balance sheet date. Fair value is the price that a market participant would receive for selling an asset or pay for transferring a liability in an orderly transaction occurring on the measurement date.

Assets and liabilities that are measured or disclosed at fair value in the financial statements are identified within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date; Level 2 inputs are inputs other than level 1 inputs that are directly or indirectly observable for the related assets or liabilities; and level 3 inputs are unobservable inputs for the underlying assets or liabilities.

The fair value of financial instruments traded in an active market is determined at the quoted market price, and for financial instruments that are not traded in an active market, the Group determines the fair value using valuation techniques and the valuation models used are mainly discounted cash flow models. The inputs to the valuation technique consist mainly of the risk-free rate, credit premium, and liquidity premium for debt and the valuation multiplier and liquidity discount for equity.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Fair value measurement (Continued)

The fair value of Level 3 is determined based on the Group's valuation models, such as discounted cash flow models. The Group also considers the initial transaction price, recent transactions in identical or similar financial instruments, or full third-party transactions in comparable financial instruments. As at 30 June 2025, Level 3 financial assets measured at fair value are valued using significant unobservable inputs such as discount rates, but the fair value is not materially sensitive to reasonable changes in these significant unobservable inputs.

The Group uses the net asset value at the balance sheet date to determine the fair value of unlisted equity investments.

At each balance sheet date, the Group reassesses the assets and liabilities recognized in the financial statements that are continuously measured at fair value to determine whether a transition between the fair value measurement hierarchy has occurred.

32. Segment information

The Group determines operating segments based on its internal organizational structure, management requirements, and internal reporting system, and determines reporting segments and discloses segment information based on operating segments.

An operating segment is a component of the Group that also meets the following conditions: (1) the component is capable of generating income and incurring expenses in the ordinary course of its activities; (2) the Group's management is able to periodically evaluate the operating results of the component in order to decide on the allocation of resources to it and evaluate its performance; (3) the Group has access to accounting information on the financial position, operating results and cash flows of the component. Two or more operating segments may be combined into one operating segment if they have similar economic characteristics and meet certain conditions.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Important accounting estimates and judgments

The Group continuously evaluates critical accounting estimates and critical judgments used, based on historical experience and other factors, including reasonable expectations of future events.

(1) Critical judgments in applying accounting policies

1) *Classification of financial assets*

The significant judgments involved in determining the classification of the Group's financial assets include, among others, analyses of business models and contractual cash flow characteristics.

The Group determines the business model for managing financial assets at the portfolio level, taking into account factors such as the manner in which the performance of the financial assets is evaluated and reported to key management personnel, the risks affecting the performance of the financial assets and the manner in which they are managed, and the manner in which the management of the underlying business is remunerated.

The following key judgments exist when the Group assesses whether the contractual cash flows of a financial asset are consistent with the underlying lending arrangement: whether it is probable that the principal amount will change in time distribution or amount over the life of the asset, for example, as a result of early repayment; and whether the interest rate includes only the time value of money, credit risk, other fundamental borrowing risks, and considerations for costs and profits. For example, whether the amount of the early repayment reflects only the outstanding principal and interest based on the unpaid principal, as well as reasonable compensation paid for early termination of the contract.

2) *Judgment that credit risk has increased significantly*

In distinguishing different stages in which the financial instruments are held, the Group's judgments of significant increases in credit risk and credit impairments are set out below:

The Group's main criteria for determining a significant increase in credit risk are the overdue days exceeding 180 days, or significant changes in one or more of the following indicators: the operating environment in which the debtor operates, internal or external credit ratings, actual or expected results of operations, or significant decreases in the value of the guarantee or the credit rating of the guarantor.

The Group's main criteria for determining that credit impairment has occurred are that the overdue days are more than 360 days (i.e., a default has occurred) or that one or more of the following conditions have been met: the debtor is experiencing significant financial difficulty, other debt restructuring, or it is probable that the debtor will be insolvent, among other things.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting estimates and judgments (Continued)

(2) Critical accounting estimates and their key assumptions

The following critical accounting estimates and key assumptions have a significant risk of causing a material adjustment to the book value of assets and liabilities in the next accounting year:

1) *Accounting estimate of impairment provision for non-current assets*

When the Group performs impairment tests on fixed assets, construction in progress, land use rights, mining rights and prospecting rights for which there are indications of impairment, when the results of the impairment tests indicate that the recoverable amount of an asset is less than its book value, a provision for impairment is made for the difference and the difference is recognized as an asset impairment loss. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. The calculation of the recoverable amount requires the application of accounting estimates (Note V.15).

If management revises the growth rates used in the calculation of future cash flows of an asset group and the revised rates are lower than those currently used, the Group needs to increase the provision for impairment for fixed assets.

If management revises the gross profit margins used in the calculation of future cash flows of an asset group and the revised margins are lower than those currently used, the Group needs to increase the provision for impairment for fixed assets.

If management revises the discount rates used for discounting cash flows and the revised rates are higher than those currently used, the Group needs to increase the provision for impairment of fixed assets.

The Group cannot reverse the recognized impairment loss on fixed assets if the actual growth rate and gross profit margin had been higher or the actual discount rate had been lower than management's estimate.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting estimates and judgments (Continued)

(2) Critical accounting estimates and their key assumptions (Continued)

2) Accounting estimate of goodwill impairment provision

The Group tests goodwill for impairment annually. The recoverable amount of a group of assets or a portfolio of asset groups containing goodwill is the higher of the fair value of the group of assets or portfolio of groups of assets, less costs of disposal, and the present value of its estimated future cash flows, which is calculated using accounting estimates (Note V.16).

As at prior period, the Group determined the recoverable amount of goodwill arising from the acquisitions of Xinjiang Yakesi Resources Development Co., Ltd. (hereinafter referred to as Xinjiang Yakesi) and Hami Jubao Resources Development Co., Ltd. (hereinafter referred to as Hami Jubao) by using the present value of the estimated future cash flows. The growth rates, gross profit margins, and discount rates used in the projected future cash flows are also subject to uncertainty due to the uncertainty of future production volumes, prices, costs, and other parameters as a result of technological improvements, changes in policies, and economic conditions.

Management revises the growth rate used in the calculation of future cash flows for an asset group or a portfolio of asset groups, and if the revised growth rate is lower than the one currently used, the Group is required to increase the provision for impairment for goodwill.

If management revises the gross profit margins used in the calculation of future cash flows for an asset group or a portfolio of asset groups and the revised gross profit margins are lower than the ones currently used, the Group is required to increase the provision for impairment for goodwill.

The Group cannot reverse the impairment loss on goodwill originally provided if the actual growth rate and gross profit margin are higher or the actual discount rate is lower than management's estimate.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting estimates and judgments (Continued)

(2) Critical accounting estimates and their key assumptions (Continued)

3) Income tax

The Group pays corporate income tax in multiple jurisdictions. In ordinary operating activities, uncertainty exists in the ultimate tax treatment of certain transactions and events. Significant judgment is required when the Group is accounting for income tax expenses in each region. If the final determination of these tax matters results in a difference from the amounts initially recorded, the difference will affect the amount of income tax expense and deferred income tax in the period in which such final determination is made.

In accordance with the accounting policies described in Note III.29, the Group prepares profit forecasts on an annual basis and recognizes corresponding deferred tax assets in respect of the deductible losses and deductible temporary differences that can be set off against taxable income in subsequent years in accordance with the provisions of the tax law.

The estimation of deferred tax assets requires the estimation of taxable income and applicable tax rates for each subsequent year, and the realization of deferred tax assets depends on whether it is probable that the Group will generate sufficient taxable income in the future. Future changes in tax rates and the timing of reversal of temporary differences may also affect income tax expense as well as the balance of deferred income taxes. Changes in the above estimates could result in significant adjustments to deferred income taxes.

As at 30 June 2025, the Group recognized a total of RMB63,244,687.13 in deferred income tax assets. As mentioned in Note V.19.4, as at 30 June 2025, the Group has unrecognized deductible losses amounting to RMB60,533,513.12. Deferred income tax assets have also not been recognized by these companies as they are in a loss-making position and it is highly uncertain whether it is probable that sufficient taxable income will be available to offset the losses in future periods or it is more likely than not that the losses will be approved by the Revenue Department. If the future taxable income of these companies is more or less than currently expected, or if the losses are approved by the Revenue Department, the Group will be required to further recognize or reverse the deferred tax assets.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting estimates and judgments (Continued)

(2) Critical accounting estimates and their key assumptions (Continued)

4) *Useful life of fixed assets and intangible assets*

The management of the Group determines the estimated useful lives, the related depreciation, and the amortization of fixed assets and intangible assets. The estimate is calculated based on past experiences of the actual useful lives of fixed assets and intangible assets of similar nature and function and may change significantly due to technological innovations and competitors' responses to severe industry cycles. If the useful life is shorter than previously estimated, the management will re-estimate the useful life.

5) *Mineral reserves*

Given the subjective judgement involved in the preparation of information on mineral reserves, it is not possible to achieve a high degree of precision in the technical estimation of the Group's mineral reserves, which can only be estimated to approximate figures.

The Group is required to follow a number of authoritative guidelines on technical standards before an estimated mineral reserve can be identified as "proven" and "probable". Estimates of proven and probable reserves are updated regularly, and recent production and technical data from individual mines are taken into account. In addition, estimates of proven and probable mineral reserves are subject to change as prices and costs change from year to year. For accounting purposes, these changes are treated as changes in accounting estimates and are reflected in the relevant depreciation rates on a prospective basis.

Despite the inherent limitations of these reserve estimation techniques, these estimates are used to determine depreciation expense and impairment losses. Depreciation rates are determined on the basis of proven developed economically mineable reserves at the end of the period and current mine ore production. The capitalized cost of mining structures is amortized over the non-ferrous units produced.

6) *Measurement of expected credit losses*

The Group calculates expected credit losses by using default exposures and expected credit loss rates, and determines the expected credit loss rate based on the probability of default and the default loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit loss experience and adjusts the historical data for current conditions and forward-looking information.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Significant changes in accounting policies and accounting estimates

(1) Significant accounting policy changes

The Group had no significant changes in accounting policies.

(2) Significant changes in accounting estimates

The Group had no significant changes in accounting estimates.

35. Explanations of other adjustments

(1) The situation of business combinations under common control during the current period

The acquisition of Xinjiang Hua'ou Mining Industry Co., Ltd. by the Group constitutes a business combination under common control and is accounted for using the cost method. Xinjiang Hua'ou Mining Industry Co., Ltd. has been included in the consolidation scope of the Group since it was jointly controlled by the ultimate controlling party, Non-ferrous Group, with our company. As a result, the consolidated financial statements for the 2024 have been restated.

Number	Company name	Form a control method	Net assets at the end of the period	Net profit (loss) for the period
1	Xinjiang Hua'ou Mining Industry Co., Ltd.	Business combinations involving enterprises under common control	1,534,493,093.41	(2,982,961.95)

Company name	Consolidation date	Net assets at book value	Combined cost	Actual controller	The relevant situation from the beginning of the period to the date of the consolidation			
					income	Net (Loss) profit	Net (decrease) increase in cash	Net cash flow (out)/from operating activities
Xinjiang Hua'ou Mining Industry Co., Ltd.	May 2025	1,544,093,949.14	1,098,084,000.00	Nonferrous Metals Industry (Group)	10,133,248.00	(2,837,715.47)	(23,795,681.05)	(18,996,773.14)

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. TAXATION

The main tax types and tax rates applicable to the Group are set out below:

Tax amount	Basis for tax calculation	tax rate/ levy rate/tax amount
Value-added tax (VAT)	Taxable value-added (except for simplified taxation, the taxable amount is calculated based using the taxable sales amount multiplied by the effective tax rate less deductible input tax of the current period)	5%、6%、9%、13%
Resource tax	Sales volume of taxable resource products	4%、8%
City maintenance and construction tax	Turnover tax payable	5%、1%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Property taxes	Taxable residual value, taxable rental income	1.2%、12%
Land use tax	Actual land area used	12 yuan/m ² , 4.2 yuan/m ² , 1.5 yuan/m ² , 1.05 yuan/m ²
Environmental protection tax	Emissions from different items	1.2 yuan/unit pollution equivalent
Corporate income tax	taxable income	15%、20%、25%

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. TAXATION (CONTINUED)

Descriptions of taxpayers with different corporate income tax rates:

Name of the taxpayer	Income tax rate
Xinjiang Xinxin Mining Co., Ltd.	15%
Xinjiang Yakesi Resources Development Co., Ltd.	15%
Hami Jubao Resources Development Co., Ltd.	15%
Xinjiang Kalatongke Mining Co., Ltd.	15%
Xinjiang Mengxi Mining Co., Ltd.	20%
Xinjiang Zhongxin Mining Co., Ltd.	25%
Beijing Xinding Shunze High-Tech Co., Ltd.	25%
Shaanxi Xinxin Mining Co., Ltd.	25%
Xinjiang Hua'ou Mining Industry Co., Ltd.	15%

1. Corporate income tax

- (1) The Company is a high-tech enterprise in Xinjiang Uygur Autonomous Region. On 1 December 2020, it obtained the certificate of high-tech enterprise jointly issued by the Science & Technology Department of Xinjiang Uygur Autonomous Region, the Department of Finance of Xinjiang Uygur Autonomous Region, and the Xinjiang Autonomous Region Tax Service, State Taxation Administration. The certificate number is GR202065000296, and the validity period is three years. On 16 October 2023, we renewed the certificate of high-tech enterprise jointly issued by the above organisations. The certificate number is GR202365000012, and the validity period is three years. Previously, the Company obtained the certifying document of encouraged industry stating that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region(2024: 15%).
- (2) Xinjiang Yakesi, a subsidiary of the Company, obtained the certifying document that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region. Xinjiang Yakesi calculated and paid corporate income tax using the preferential rate of 15% for the six months ended 30 June 2025 (2024: 15%).
- (3) Hami Jubao, a subsidiary of the Company, obtained the certifying document that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region. Hami Jubao calculated and paid corporate income tax using the preferential rate of 15% for the six months ended 30 June 2025(2024 : 15%)
- (4) Xinjiang Kalatongke Mining Co., Ltd. (hereafter "Kalatongke Mining"), a subsidiary of the Company, obtained the certifying document that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region. Kalatongke Mining calculated and paid corporate income tax using the preferential rate of 15% for the six months ended 30 June 2025 (2024: 15%).

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. TAXATION (CONTINUED)

1. Corporate income tax (Continued)

- (5) Xinjiang Mengxi Mining Industry Co., Ltd. (hereinafter referred to as Mengxi Mining), a subsidiary of the Company, is subject to a reduced rate of 25% of the annual taxable income and a corporate income tax at a rate of 20% in accordance with the State Taxation Administration Announcement No. 8 of 2021: small low-profit enterprises with an annual taxable income not exceeding RMB1 million(2024: 20%).
- (6) Xinjiang Zhongxin Mining Co., Ltd. (hereinafter referred to as Zhongxin Mining), a subsidiary of the Company, is a high-tech enterprise in Xinjiang Uygur Autonomous Region. On 25 November 2021, it obtained the certificate of high-tech enterprise jointly issued by the Science & Technology Department of Xinjiang Uygur Autonomous Region, the Department of Finance of Xinjiang Uygur Autonomous Region, and the Xinjiang Autonomous Region Tax Service, State Taxation Administration. The certificate number is GR2021165000397, and the validity period is three years. Zhongxin Mining calculate and pay corporate income tax at the rate of 25% for the six months ended 30 June 2025. (2024: 15%).
- (7) Shanghai sales branch and other subsidiaries of the Company, including Beijing Xinding Shunze High-Tech Co., Ltd. (hereafter “Beijing Xinding”) and Shaanxi Xinxin Mining Co., Ltd. (hereafter “Shaanxi Xinxin”), the applicable corporate income tax rate for six months ended 30 June 2025 is 25% (2024: 25%).
- (8) The subsidiary of the company, Xinjiang Hua’ou Mining Industry Co., Ltd., is a newly added subsidiary under the common control of the Group in May 2025. Xinjiang Hua’ou Mining Industry Co., Ltd. obtained the certifying document that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region. Xinjiang Huaou Mining Co., LTD. Calculated and paid corporate income tax using the preferential rate of 15% for the six months ended 30 June 2025. (2024 : 15%)

2. Value added tax (VAT)

Pursuant to the Announcement on Relevant Policies for Deepening the Reform of Value-added Tax (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration, the General Administration of Customs) and related regulations promulgated by the Ministry of Finance, the State Taxation Administration, the General Administration of Customs, with effect from 1 April 2019, the VAT output tax rates applicable to the Group’s major product sales business and the leasing business are 13% and 9%, respectively. The simplified levy rate is 5%.

Input VAT paid on purchases of raw materials, fuel, power, equipment, etc. is deductible against output VAT. Value-added tax payable is equal to the output VAT less deductible input VAT of the current period.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. TAXATION (CONTINUED)

3. Resource tax

Pursuant to the Decision of the Standing Committee of the People's Congress of the Xinjiang Uygur Autonomous Region on the Specific Applicable Tax Rate, Method of Taxation, and Measures for Tax Reduction and Exemption on Resource Tax of the Autonomous Region, the mixed concentrates of the Kalatongke Mining are subject to the resource tax at a rate of 4% of the sales amount of the consumption of the taxable products deemed to be sold, and the massive rich ores are subject to the resource tax at a rate of 8% of the sales amount of the consumption of the taxable products deemed to be sold. Xinjiang Yakesi and Hami Jubao pay resource tax at the rate of 4% on the sales of taxable products for which sales proceeds are received and for which sales proceeds are documented.

4. Environmental protection tax

According to the Notice on Issues Relating to Environmental Protection Tax (Cai Shui [2018] No. 23), since 1 January 2018, Kalatongke Mining, Xinjiang Yakesi, Hami Jubao, Zhongxin Mining, and Fukang Smelter have been paying environmental protection tax based on the number of pollution equivalents (kg/day) translated from pollutant emissions at RMB1.2/pollution equivalent.

5. Land use tax

The Group's subsidiary, Kalaketong Mining, part of its land in use is exempted from land use tax in accordance with the Notice of the State Taxation Administration on Issues Concerning the Taxation and Exemption of Land Use Tax for Mining Enterprises (Guo Shui Di Zi [1989] No. 122): "Land use tax shall be exempted for land used for the safety zones of the mining site, the discharge site, the tailings storage, the explosives storage, the road for transporting mine and rocks in the mining area, and the land used for tailings conveying pipelines and the water return system of the mines. The collapsed land caused by mining enterprises extracting underground mines, as well as the land occupied by barren mountains, shall be temporarily exempted from land use tax until it is utilized".

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at bank and on hand

Item	30 June 2025	31 December 2024
Cash at bank	629,154,892.84	648,891,485.62

Restricted cash at bank and on hand

Item	30 June 2025	31 December 2024
Deposits for bank acceptance notes	57,500,000.00	45,038,625.72
Fund for mine environment remediation and restoration	23,013,670.80	19,834,743.46
ETC guarantee	8,200.00	15,800.00
Dedicated accounts and public call deposits	—	77,692.61
Deposits for land reclamation	1,596,492.61	1,518,800.00
Total	82,118,363.41	66,485,661.79

2. Financial assets held for trading

Item	30 June 2025	31 December 2024
Derivative financial assets	—	444,342.48

3. Notes receivable

(1) Notes receivable presented by category

Item	30 June 2025	31 December 2024
Bank acceptances notes	29,785,191.41	35,557,932.04

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable (Continued)

(2) Presentation by bad debt accrual method

Type	Book balance Amount	30 June 2025		Bad debt preparation Amount	Accrual (%)	Book value
		Ratio (%)				
Bad debt provision by portfolio	29,785,191.41	100.00	–	–	–	29,785,191.41
Including: Bank acceptances notes	29,785,191.41	100.00	–	–	–	29,785,191.41
Total	29,785,191.41	100.00	–	–	–	29,785,191.41

Type	Book balance Amount	31 December 2024		Bad debt preparation Amount	Accrual ratio (%)	Book value
		Ratio (%)				
Bad debt provision by portfolio	35,557,932.04	100.00	–	–	–	35,557,932.04
Including: Bank acceptances notes	35,557,932.04	100.00	–	–	–	35,557,932.04
Total	35,557,932.04	100.00	–	–	–	35,557,932.04

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable (Continued)

(3) Provision for bad debts on notes receivable accrued, recovered and reversed

As at 30 June 2025, all the notes receivable held by the Group were bank acceptance notes. The Group considers that the bank acceptance notes held within this portfolio do not have significant credit risk and therefore no provision for bad debts has been made for bank acceptance notes.

(4) Pledged notes receivable at 30 June 2025

As at 30 June 2025, the Group had no pledged notes receivable presented as notes receivable.

(5) Notes receivable endorsed at 30 June 2025 and not yet due at the balance sheet date

Item	Amounts derecognized at the ended of 30 June 2025	Amounts not derecognized at the ended of 30 June 2025
Bank acceptance notes	—	67,971,756.43

(6) Notes receivable actually written off

The Group does not have any notes receivable actually written off as at 30 June 2025.

(7) Aging of notes receivable

As at 30 June 2025, the aging of the Group's notes receivable were all within 365 days.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

Item	30 June 2025	31 December 2024
Accounts receivable	281,519,733.92	430,416,685.62
Less: Bad debt provision	3,905,126.18	4,108,773.13
Book value	277,614,607.74	426,307,912.49

The majority of the Group's sales are on credit together with a credit period of no more than 180 days.

(1) Accounts receivable presented according to their aging at the date of accounting

Aging	30 June 2025	31 December 2024
Within 1 year (including 1 year).	276,843,606.85	426,543,500.48
1-2 years	803,013.88	13,044.80
2-3 years	13,044.80	149,894.76
3-4 years	149,894.76	—
4-5 years	—	249,114.00
Over 5 years	3,710,173.63	3,461,131.58
Total	281,519,733.92	430,416,685.62

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad debt accrual method

The Group measures the loss allowance for accounts receivable, regardless of whether there is a significant financing component, based on lifetime expected credit losses.

Type	30 June 2025				
	Book balance Amount	Ratio (%)	Bad debt preparation Amount	Accrual ratio (%)	Book value
Bad debt provision on an individual basis	–	–	–	–	–
Bad debt provision by portfolio	281,519,733.92	100.00	3,905,126.18	1.39	277,614,607.74
Including: Receivables from related party customers	316,887.42	0.11	16,746.96	5.28	300,140.46
Receivables from non-related party customers	281,202,846.50	99.89	3,888,379.22	1.38	277,314,467.28
Total	281,519,733.92	100.00	3,905,126.18	1.39	277,614,607.74

Type	31 December 2024				
	Book balance Amount	Ratio (%)	Bad debt preparation Amount	Accrual ratio (%)	Book value
Bad debt provision on an individual basis	1,371,044.41	0.32	137,104.44	10.00	1,233,939.97
Bad debt provision by portfolio	429,045,641.21	99.68	3,971,668.69	0.93	425,073,972.52
Including: Receivables from related party customers	345,383.46	0.08	18,655.45	5.40	326,728.01
Receivables from non-related party customers	428,700,257.75	99.60	3,953,013.24	0.92	424,747,244.51
Total	430,416,685.62	100.00	4,108,773.13	0.95	426,307,912.49

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad debt accrual method (Continued)

1) Bad debt provision for accounts receivable on an individual basis

Title	30 June 2025		31 December 2024			
	Book balance	Bad debt provision	Accrual ratio (%)	Reason of accrual	Book balance	Bad debt provision
Beijing Yuanhang TianHui Zhizaogu Technology Industry Co., Ltd.	-	-	-	-	1,371,044.41	137,104.44
Total	-	-	-	-	1,371,044.41	137,104.44

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad debt accrual method (Continued)

2) Bad debt provision for accounts receivable by portfolio

Portfolio – Related party customers

Aging	30 June 2025		Bad debt provision
	Book balance	Lifetime expected credit loss rate (%)	
Not overdue	6,837.30	—	—
1-6 months overdue	310,050.12	5.40	16,746.96
Total	316,887.42	5.28	16,746.96

Aging	31 December 2024		Bad debt provision
	Book balance	Lifetime expected credit loss ratio (%)	
Not overdue	345,383.46	5.40	18,655.45

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad debt accrual method (Continued)

2) Bad debt provision for accounts receivable by portfolio (Continued)

Portfolio – Receivables from non-related party customers

Aging	30 June 2025		
	Book balance	Lifetime expected credit loss rate (%)	Bad debt provision
Not overdue	277,954,022.46	0.60	1,663,372.02
1-6 months overdue	524,243.66	0.08	423.20
More than 18 months overdue	2,724,580.38	81.65	2,224,584.00
Total	281,202,846.50	1.38	3,888,379.22

Aging	31 December 2024		
	Book balance	Lifetime expected credit loss rate (%)	Bad debt provision
Not overdue	424,827,072.61	0.04	190,768.05
1-6 months overdue	13,044.80	16.98	2,214.52
More than 18 months overdue	3,860,140.34	97.41	3,760,030.67
Total	428,700,257.75	0.92	3,953,013.24

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(3) Provisions for bad debts on accounts receivable accrued, recovered, and reversed during the period

Type	Changes in the current period		30 June 2025
	31 December 2024	Recovery or reversal	
Bad debt provision on an individually basis	137,104.44	137,104.44	–
Bad debt provision by portfolio	3,971,668.69	66,542.51	3,905,126.18
Total	4,108,773.13	203,646.95	3,905,126.18

(4) Accounts receivable actually written off during the period

The Group has no write-offs accounts receivable during the period.

(5) Accounts receivable pledged

As at 30 June 2025 and 31 December 2024, the Group had no accounts receivable pledged to banks as security for obtaining loans.

(6) Accounts receivable with top five closing balances by debtors

Name of the organization	Closing balance of accounts receivable	Ratio of the total closing balance of accounts receivable (%)	Closing balance of bad debt provision for accounts receivable
Total accounts receivable with top-five balances	276,144,769.46	98.09	123,363.60

5. Financing receivables

(1) Financing receivables by category

Item	30 June 2025	31 December 2024
Notes receivable	106,418,104.33	59,407,818.41

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Financing of receivables (Continued)

(2) Presentation of financing receivables by bad debt accrual method

Type	Book balance Amount	30 June 2025		Bad debt preparation Amount	Accrual ratio (%)	Book value
		Ratio (%)				
Bad debt provision by portfolio	106,418,104.33	100.00	–	–		106,418,104.33
Including: Bank acceptances notes	106,418,104.33	100.00	–	–		106,418,104.33
Total	106,418,104.33	100.00	–	–		106,418,104.33

Type	Book balance Amount	31 December 2024		Bad debt preparation Amount	Accrual ratio (%)	Book value
		Ratio (%)				
Bad debt provision by portfolio	59,407,818.41	100.00	–	–		59,407,818.41
Including: Bank acceptances notes	59,407,818.41	100.00	–	–		59,407,818.41
Total	59,407,818.41	100.00	–	–		59,407,818.41

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Financing of receivables (Continued)

(3) Provisions for bad debts on financing receivables accrued, recovered, and reversed during the period

As at 30 June 2025, all the financing receivables held by the Group were bank acceptance notes. The Group considers that the bank acceptance notes held within this portfolio do not have significant credit risk and therefore no provision for bad debts has been made for bank acceptance notes.

(4) Pledged receivables financing at the end of the period

As at 30 June 2025, the Company had no pledged notes receivable presented as financing receivables.

(5) Financing receivables endorsed or discounted as at 30 June 2025 and not yet due at the balance sheet date

Item	Amounts derecognized	Amounts not derecognized
Bank acceptances notes	434,904,054.35	—

(6) Financing receivables actually written off during the period

The Group does not have financing receivables actually written off during the period

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables

Item	30 June 2025	31 December 2024
Other receivables	12,706,329.94	7,218,048.42

(1) Other receivables categorized by nature of payment

Nature of the payment	30 June 2025	31 December 2024
Receivables from related parties	3,625,939.41	1,184,570.60
Social Security advances receivable	3,361,763.48	2,312,344.80
Margin	958,500.00	1,173,282.60
Others	6,802,796.97	5,156,508.52
Subtotal	14,748,999.86	9,826,706.52
Less: Provision for bad debts	2,042,669.92	2,608,658.10
Total	12,706,329.94	7,218,048.42

(2) Other receivables presented by aging

Aging	30 June 2025	31 December 2024
Within 1 year (including 1 year).	11,666,765.53	6,325,387.10
1-2 years	1,408,830.35	829,759.72
2-3 years	84,249.00	1,000,000.00
3-4 years	166,000.00	233,847.00
4-5 years	3,000.00	3,000.00
Over 5 years	1,420,154.98	1,434,712.70
Total	14,748,999.86	9,826,706.52

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Presentation of other receivables by bad debt accrual method

Type	30 June 2025				
	Book balance Amount	Ratio (%)	Bad debt preparation Amount	Accrual ratio (%)	Book value
Bad debt provision on an individual basis	1,117,745.39	7.58	1,117,745.39	100.00	–
Bad debt provision by portfolio	13,631,254.47	92.42	924,924.53	6.79	12,706,329.94
Including: Related party portfolio	998,827.19	6.77	37,579.53	3.76	961,247.66
Non-related party portfolio	12,632,427.28	85.65	887,345.00	7.02	11,745,082.28
Total	14,748,999.86	100.00	2,042,669.92	13.85	12,706,329.94

Type	31 December 2024				
	Book balance Amount	Ratio (%)	Bad debt preparation Amount	Accrual ratio (%)	Book value
Bad debt provision on an individual basis	1,117,745.39	11.37	1,117,745.39	100.00	–
Bad debt provision by portfolio	8,708,961.13	88.63	1,490,912.71	17.12	7,218,048.42
Including: Related party portfolio	1,126,561.08	11.46	33,771.81	3.00	1,092,789.27
Non-related party portfolio	7,582,400.05	77.17	1,457,140.90	19.22	6,125,259.15
Total	9,826,706.52	100.00	2,608,658.10	26.55	7,218,048.42

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Presentation of other receivables by bad debt accrual method (Continued)

1) Bad debt provision for other receivables on an individual basis

Name	30 June 2025				31 December 2024	
	Book balance	Bad debt provision	Accrual ratio (%)	Reason for the provision	Book balance	Bad debt provision
Beijing Donglin Huamao Technology Co., Ltd.	625,935.00	625,935.00	100.00	The likelihood of recovery is expected to be low	625,935.00	625,935.00
Qingdao Jieneng High & New Technology Co., Ltd.	84,000.00	84,000.00	100.00	The likelihood of recovery is expected to be low	84,000.00	84,000.00
Shanghai Ganjiang Electromechanical Co., Ltd.	75,100.00	75,100.00	100.00	The likelihood of recovery is expected to be low	75,100.00	75,100.00
Tongling Nonferrous Metals Holding Tongguan Mining and Metallurgy Equipment Co., Ltd.	73,430.39	73,430.39	100.00	The likelihood of recovery is expected to be low	73,430.39	73,430.39
Urumqi Runtianyu Environmental Testing Co., Ltd.	71,000.00	71,000.00	100.00	The likelihood of recovery is expected to be low	71,000.00	71,000.00
Urumqi Economic and Technological Development Zone Lean Electronic Repair Department	63,200.00	63,200.00	100.00	The likelihood of recovery is expected to be low	63,200.00	63,200.00
Urumqi Lushengyuan Trading Co., Ltd.	59,660.00	59,660.00	100.00	The likelihood of recovery is expected to be low	59,660.00	59,660.00
Xinjiang Zhanxin Fire Insulation Material Co., Ltd.	43,020.00	43,020.00	100.00	Insolvency proceedings have been entered into and the likelihood of recovery is expected to be low	43,020.00	43,020.00
Xinjiang Dezong Petrochemical Equipment and Technology Co., Ltd.	21,500.00	21,500.00	100.00	The likelihood of recovery is expected to be low	21,500.00	21,500.00
Xinjiang Tedian Trading Co., Ltd.	900.00	900.00	100.00	The likelihood of recovery is expected to be low	900.00	900.00
Total	1,117,745.39	1,117,745.39	100.00	–	1,117,745.39	1,117,745.39

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Presentation of other receivables by bad debt accrual method (Continued)

2) Bad debt provision for other receivables by portfolio

Aging	30 June 2025		Accrual ratio (%)
	Book balance	Bad debt provision	
Within 1 year (including 1 year).	12,703,144.92	535,786.75	4.22
1-2 years	312,584.96	19,644.06	6.28
2-3 years	84,249.00	7,171.33	8.51
3-4 years	166,000.00	—	—
4-5 years	3,000.00	46.80	1.56
Over 5 years	362,275.59	362,275.59	100.00
Total	13,631,254.47	924,924.53	6.79

Aging	31 December 2024		Accrual ratio (%)
	Book balance	Bad debt provision	
Within 1 year (including 1 year).	6,325,387.10	307,790.32	4.87
1-2 years	786,739.72	145,490.76	18.49
2-3 years	1,000,000.00	569,068.61	56.91
3-4 years	229,764.29	102,757.18	44.72
4-5 years	3,000.00	1,735.82	57.86
Over 5 years	364,070.02	364,070.02	100.00
Total	8,708,961.13	1,490,912.71	17.12

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Presentation of other receivables by bad debt accrual method (Continued)

3) Bad debt provision for other receivables by general model of expected credit losses

	Stage 1	Stage 2	Stage 3	
	Expected credit	Lifetime	Lifetime	
	loss over the	expected credit	expected credit	
	next 12 months	loss (No credit	loss for the	
Bad debt preparation		impaired)	entire duration	Total
		(credit impaired)		
Balance as of January 1, 2025	1,523,850.40	–	1,074,725.39	2,598,575.79
Balance in current period as				
at 1 January 2025	–	–	–	–
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	–	–	–	–
– Transferred back to Stage 2	–	–	–	–
– Transferred back to Stage 1	–	–	–	–
Accrual during this period	–	–	–	–
Reversal in current period	(555,905.87)	–	–	(555,905.87)
Balance as at 30 June 2025	967,944.53	–	1,074,725.39	2,042,669.92

(4) As at 30 June 2025, provisions for bad debts on other receivables accrued, recovered, and reversed.

Type	Changes in current period		30 June 2025
	31 December 2024	Recovery or reversal	
Bad debt provision on an individual basis	1,117,745.39	–	1,117,745.39
Bad debt provision by portfolio	1,490,912.71	565,950.07	924,924.53
Total	2,608,658.10	565,950.07	2,042,669.92

(5) Other receivables actually written off during the period

The Group does not have other receivables written off during the period.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(6) As at 30 June 2025, other receivables with top five closing balances collected by the debtors

Name of the organization	Nature of payment	Closing balance	Aging	Ratio of the total closing balance of other receivables (%)	Bad debt provision
Shanghai Xingqiang Mining Co., Ltd	Other receivable from related parties	2,745,471.98	Within 1 year	18.61	–
Zhejiang Jianhui Mining Construction Group Co., Ltd	Others	1,384,584.62	Within 1 year	9.39	–
Henan Weihua Heavy Machinery Co., Ltd	Others	804,000.00	Within 1 year	5.45	44,142.05
Xinjiang Habahe Asher Copper Co., Ltd	Deposit and security deposit	712,000.00	Within 1 year	4.83	14,992.40
Jiangsu Blue Electric Environmental Protection Co., Ltd	Others	685,000.00	Within 1 year	4.64	46,667.59
Total	–	6,331,056.60	–	42.92	105,802.04

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Advances to suppliers

(1) Ageing of advances to suppliers

Item	30 June 2025		31 December 2024	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	39,719,344.81	80.36	30,601,058.15	89.81
1–2 years	7,821,265.70	15.83	1,987,598.45	5.83
2–3 years	532,740.96	1.08	5,949.73	0.02
More than 3 years	1,349,006.08	2.73	1,479,150.52	4.34
Total	49,422,357.55	100.00	34,073,756.85	100.00

Note: As at 30 June 2025, the prepayment aged over one year amounted to RMB9,703,012.74 (31 December 2024: RMB3,472,698.70), which were mainly prepayments for material purchases, which had not yet been settled as the goods purchased had not yet arrived.

(2) Prepayments with top five closing balances by prepayment recipients

	Closing balance	Ratio of the total closing balance of prepayments (%)
Total prepayments with top-five balances	32,234,000.00	65.22

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

(1) Classification of inventories

Item	30 June 2025			31 December 2024		
	Book balance	Provision for the decline in value of inventories	Book value	Book balance	Provision for the decline in value of inventories	Book value
Raw materials	198,391,486.54	12,333,699.50	186,057,787.04	215,525,587.51	12,336,481.61	203,189,105.90
Work in progress	78,581,484.09	–	78,581,484.09	94,749,047.26	–	94,749,047.26
Self-made semi-finished goods	374,054,961.19	–	374,054,961.19	421,583,871.58	–	421,583,871.58
Finished goods	402,831,049.90	26,927,401.77	375,903,648.13	366,321,912.88	27,328,493.64	338,993,419.24
Total	1,053,858,981.72	39,261,101.27	1,014,597,880.45	1,098,180,419.23	39,664,975.25	1,058,515,443.98

(2) Loss allowance on the decline in value of inventories

Item	31 December 2024		30 June 2025
		Decrease in the current period Charge-off	
Raw materials	12,336,481.61	2,782.11	12,333,699.50
Finished Products	27,328,493.64	401,091.87	26,927,401.77
Total	39,664,975.25	403,873.98	39,261,101.27

Note: The Group's inventories are measured at the lower cost and net realizable value to determine net realizable value. Net realizable value is the estimated selling price of inventories in ordinary activities, less costs to be incurred to completion, estimated selling expenses, and related taxes. The provision for the decline in the value of inventories for finished goods was charged off during the period because they were sold

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Other current assets

Item	30 June 2025	31 December 2024
Input tax to be deducted	52,685,402.50	19,929,585.36
Input tax to be verified	6,645,314.73	691,633.84
Prepaid income tax	2,427,857.32	5,189,264.18
Total	61,758,574.55	25,810,483.38

10. Long-term equity investment

Item	30 June 2025	31 December 2024
Investments in a joint venture	205,098,565.14	190,545,162.35
Less: Provision for impairment for long-term equity investments	—	—
Total	205,098,565.14	190,545,162.35

Note: The Group's investees are unlisted companies and there are no significant restrictions on the realization of long-term equity investments.

(1) Breakdown of long-term equity investments

Item	31 December 2024 (Book Value)	Net profit (loss) adjusted using the equity method	Offset of unrealized profits in internal trading	30 June 2025 (Book Value)	Closing balance of Provision for impairment
Hami Hexin Mining Industry Co., Ltd. ("Hexin Mining")	190,545,162.35	(4,689,458.59)	19,242,861.38	205,098,565.14	—

Note: The place of incorporation and principal place of business of Hexin Mining is in the PRC. Hexin Mining is one of the major suppliers of raw materials to the Group, which is strategically important to ensure the supply of raw materials to the Group.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Investment properties

(1) Investment properties using the cost model

Item	Houses and buildings	Land use rights	Total
I. Original book value			
As at 30 June 2025 and 31 December 2024	192,011,485.85	68,551,732.40	260,563,218.25
II. Accumulated depreciation and accumulated amortization			
1. As at 31 December 2024	22,780,777.80	17,823,450.64	40,604,228.44
2. The increase in the current period	1,860,293.67	685,517.34	2,545,811.01
(1) Accrual or amortization	1,860,293.67	685,517.34	2,545,811.01
3. As at 30 June 2025	24,641,071.47	18,508,967.98	43,150,039.45
III. Book value			
1. As at 30 June 2025	167,370,414.38	50,042,764.42	217,413,178.80
2. As at 31 December 2024	169,230,708.05	50,728,281.76	219,958,989.81

The amount of depreciation and amortisation charged on investment properties during the six months ended 30 June 2025 was RMB2,545,811.01 (Six months ended 30 June 2024: RMB2,537,061.81).

On 30 June 2025, the book value of RMB7,447,422.62 of buildings were in the process of applying the property ownership certificates. The Group's management believes that there is no substantial difficulty in obtaining the property ownership certificate, and there is no significant adverse effect on the Group's operation.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Fixed assets

Item	30 June 2025	31 December 2024
Fixed assets	3,400,041,671.26	3,514,039,233.51

(1) Fixed assets

Item	Buildings	Shaft and alley structures	Machinery	Transportation equipment	electronic and office equipment	Total
I. Original book value						
1. As at 31 December 2024	2,108,289,499.69	2,033,339,357.78	1,967,310,717.49	45,381,187.54	162,426,689.83	6,316,747,452.33
2. Increase in the current period	1,894,608.34	70,873.76	13,180,032.85	633,558.64	6,538,863.31	22,317,936.90
(1) Purchase	65,083.20	-	3,744,217.97	633,558.64	6,538,863.31	10,981,723.12
(2) Transfer-in from construction in progress	1,186,274.23	70,873.76	9,435,814.88	-	-	10,692,962.87
(3) Others	643,250.91	-	-	-	-	643,250.91
3. Decrease during the period	1,605,504.58	-	11,146,224.87	723,150.54	910,785.72	14,162,965.71
(1) Disposal or scrapping	-	-	11,146,224.87	723,150.54	910,785.72	12,783,945.19
(2) Others	1,605,504.58	-	-	-	-	1,605,504.58
As at 30 June 2025	2,108,578,603.45	2,033,410,231.54	1,969,344,525.47	45,514,295.64	168,054,767.42	6,324,902,423.52
II. Accumulated depreciation						
1. As at 31 December 2024	803,556,593.01	547,070,747.95	1,259,611,742.09	28,516,815.33	92,070,803.35	2,730,826,701.73
2. Increase in the current period	31,002,907.33	40,961,731.76	52,881,410.80	1,866,938.32	7,610,145.77	134,323,133.98
(1) Accrual	31,002,907.33	40,961,731.76	52,881,410.80	1,866,938.32	7,610,145.77	134,323,133.98
3. Decrease during the period	-	-	10,810,479.50	479,613.87	880,507.17	12,170,600.54
(1) Disposal or scrapping	-	-	10,810,479.50	479,613.87	880,507.17	12,170,600.54
As at 30 June 2025	834,559,500.34	588,032,479.71	1,301,682,673.39	29,904,139.78	98,800,441.95	2,852,979,235.17
III. Provision for impairment						
As at 30 June 2025 and 31 December 2024	38,119,351.70	-	33,737,028.20	-	25,137.19	71,881,517.09

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Fixed assets (Continued)

(1) Fixed assets (Continued)

Item	Buildings	Shaft and alley structures	Machinery	Transportation equipment	electronic and office equipment	Total
IV. Book Value						
1. As at 30 June 2025	1,235,899,751.41	1,445,377,751.83	633,924,823.88	15,610,155.86	69,229,188.28	3,400,041,671.26
2. As at 31 December 2024	1,266,613,554.98	1,486,268,609.83	673,961,947.20	16,864,372.21	70,330,749.29	3,514,039,233.51

Note: The depreciation of fixed assets for the six months ended 30 June 2025 was RMB134,323,133.98 (six months ended 30 June 2024: RMB125,149,715.40), of which the depreciation expense included in operating costs, management expenses, selling expenses and R&D expenses was RMB120,797,750.26, RMB13,491,824.04 and RMB11,409.52, RMB22,150.16 respectively (for the six months ended 30 June 2024: RMB113,592,343.22, RMB10,418,606.22, RMB16,102.83 and RMB1,122,663.13).

The original cost transferred from construction in progress to fixed assets is RMB10,692,962.87 (six months ended 30 June 2024: RMB20,040,487.70).

(2) Temporarily idle fixed assets

As at 30 June 2025, fixed assets with a book value of RMB2,490,421.31 (original price: RMB46,765,801.52) (31 December 2024: RMB2,490,421.31, original price: RMB46,765,801.52) were temporarily idled due to expansion and renovation of production lines, as analyzed below

item	Original book value	Accumulated depreciation	Book value
Buildings	16,926,410.34	16,061,209.68	865,200.66
Machinery	23,819,431.12	22,495,208.52	1,324,222.60
Office and electronic equipment	6,019,960.06	5,718,962.01	300,998.05
Total	46,765,801.52	44,275,380.21	2,490,421.31

(3) Fixed assets with pending certificates of ownership

On 30 June 2025, the book value of RMB82,189,645.38 buildings were in the process of applying the property ownership certificates. The Group's management believes that there is no substantial difficulty in obtaining the property ownership certificate, and there is no significant adverse effect on the Group's operation.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress

item	30 June 2025	31 December 2024
Construction in progress	1,188,694,727.52	730,737,155.40

(1) Details of construction in Progress

	30 June 2025			31 December 2024		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Fukang Smelter						
Wastewater treatment design and development	37,105,290.09		37,105,290.09	16,588,913.62		16,588,913.62
Technological transformation of high-efficiency and environmentally friendly electrolyzer applications	32,707,391.92		32,707,391.92	2,684,296.74		2,684,296.74
Key Technology and Engineering Demonstration of Multi-component Deep Separation and Extraction of Sulfur-based Nickel-Cobalt Slag (Self-funded)	21,156,311.18		21,156,311.18	20,146,982.85		20,146,982.85
Other projects	39,746,505.14	-	39,746,505.14	33,105,248.43	-	33,105,248.43
Subtotal of the company	130,715,498.33	-	130,715,498.33	72,525,441.64	-	72,525,441.64
Kalatongke Mining						
Fuyun County Life Base	70,684,695.96		70,684,695.96	78,509,765.58		78,509,765.58
No. 1 ramp surface renewal and renovation project	32,470,582.84		32,470,582.84	267,836.97		267,836.97
Production expansion project	52,102,959.26		52,102,959.26	52,102,959.26		52,102,959.26
Other projects	46,358,810.44	-	46,358,810.44	49,826,481.34	-	49,826,481.34
Subtotal of the company	201,617,048.50	-	201,617,048.50	180,707,043.15	-	180,707,043.15
Hami Jubao						
Huangshan East Deep Mining Project	102,888,091.79		102,888,091.79	102,888,091.79		102,888,091.79
Other projects	13,913,988.29	-	13,913,988.29	13,742,874.18	-	13,742,874.18
Subtotal of the company	116,802,080.08	-	116,802,080.08	116,630,965.97	-	116,630,965.97

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (Continued)

(1) Details of construction in Progress (Continued)

	30 June 2025			31 December 2024		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Shaanxi Xinxin Mining Co., Ltd						
Xianghe Street Vanadium Mine	1,515,000.00		1,515,000.00	1,515,000.00		1,515,000.00
Other projects	519,073.00	–	519,073.00	519,073.00	–	519,073.00
Subtotal of the company	2,034,073.00	–	2,034,073.00	2,034,073.00	–	2,034,073.00
Xinjiang Hua'ou Mining Industry Co., Ltd.						
Karchar Southwest Fluorite Mine	580,234,989.28	–	580,234,989.28	236,790,144.32	–	236,790,144.32
Subtotal of the company	580,234,989.28	–	580,234,989.28	236,790,144.32	–	236,790,144.32
Xinjiang Yakesi						
Huangshan West Mine Mining and Processing Project	157,291,038.33	–	157,291,038.33	122,049,487.32	–	122,049,487.32
Subtotal of the company	157,291,038.33	–	157,291,038.33	122,049,487.32	–	122,049,487.32
Total	1,188,694,727.52	–	1,188,694,727.52	730,737,155.40	–	730,737,155.40

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (Continued)

(2) Changes in significant construction in progress projects during the period

Project name	31 December 2024	Increase during the period	Other decreases	30 June 2025
Huangshan West Mine Mining and Processing Project	122,049,487.32	35,241,551.01	–	157,291,038.33
Wastewater treatment design and development	16,588,913.62	20,516,376.47	–	37,105,290.09
Technological transformation of high-efficiency and environmentally friendly electrolyzer applications	2,684,296.74	30,023,095.18	–	32,707,391.92
Fuyun County Life Base	78,509,765.58	–	7,825,069.62	70,684,695.96
Karchar Southwest Fluorite Mine	236,790,144.32	343,444,844.96	–	580,234,989.28
Total	456,622,607.58	429,225,867.62	7,825,069.62	878,023,405.58

Project name	Budget	Engineering inputs as a percentage of the budget (%)	Progress of works (%)	Accumulated amount of interest capitalization	Including: the amount of interest capitalized for the current year	Interest capitalization rate for the year (%)	Source of funds
Huangshan West Mine Mining and Processing Project	1,335,673,185.74	89.63	89.63	–	–	–	Self-raised
Wastewater treatment design and development	200,000,000.00	18.55	18.55	–	–	–	Self-raised
Technological transformation of high-efficiency and environmentally friendly electrolyzer applications	154,561,400.00	21.16	21.16	–	–	–	Self-raised
Fuyun County Life Base	142,755,100.00	49.51	49.51	–	–	–	Self-raised
Karchar Southwest Fluorite Mine	1,612,000,000.00	35.99	35.99	1,670,903.01	1,670,903.01	2.66	financing, self-raised
Total	3,444,989,685.74			1,670,903.01	1,670,903.01	2.66	

Note: The capitalised interest expense on construction in progress for the six-month period ended 30 June 2025 was RMB1,670,903.01, and there was no capitalised interest expense for the six-month period ended 30 June 2024.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Right-of-use assets

Item	Buildings	Land use rights	Total
I. Original book value			
1. As at 31 December 2024	3,697,175.19	13,922,780.00	17,619,955.19
2. Increase during the period	4,075,543.56	–	4,075,543.56
3. Decrease during the period	3,697,175.19	–	3,697,175.19
(1) Lease expiration	3,697,175.19	–	3,697,175.19
4. As at 30 June 2025	4,075,543.56	13,922,780.00	17,998,323.56
II. Accumulated depreciation and accumulated amortization			
1. As at 31 December 2024	3,697,175.19	928,185.32	4,625,360.51
2. Increase during the period	679,257.26	1,392,277.98	2,071,535.24
(1) Accrual	679,257.26	1,392,277.98	2,071,535.24
3. Decrease during the period	3,697,175.19	–	3,697,175.19
(1) Lease expiration	3,697,175.19	–	3,697,175.19
4. As at 30 June 2025	679,257.26	2,320,463.30	2,999,720.56
III. Book value			
1. As at 30 June 2025	3,396,286.30	11,602,316.70	14,998,603.00
2. As at 31 December 2024	–	12,994,594.68	12,994,594.68

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets

(1) List of Intangible assets

Item	Land use rights	Prospecting rights	Mining rights	others	Total
I. Original book value					
1. As at 31 December 2024	187,892,683.58	251,762,373.97	2,567,153,234.30	9,588,670.55	3,016,396,962.40
2. Increase in the current period	22,501,177.29	–	5,702,168.65	265,486.73	28,468,832.67
(1) Purchase	22,501,177.29	–	5,702,168.65	265,486.73	28,468,832.67
3. Amount of reduction in the current period	–	3,778,400.00	–	–	3,778,400.00
(1) Disposal	–	3,778,400.00	–	–	3,778,400.00
4. As at 30 June 2025	210,393,860.87	247,983,973.97	2,572,855,402.95	9,854,157.28	3,041,087,395.07
II. Cumulative amortization					
1. As at 31 December 2024	56,462,090.16	–	329,574,069.21	5,571,344.15	391,607,503.52
2. Increase in the current period	2,059,656.68	–	21,692,640.75	407,772.08	24,160,069.51
(1) Accrual	2,059,656.68	–	21,692,640.75	407,772.08	24,160,069.51
3. As at 30 June 2025	58,521,746.84	–	351,266,709.96	5,979,116.23	415,767,573.03
III. Impairment provision					
As at 30 June 2025 and 31 December 2024	–	167,297,784.42	–	–	167,297,784.42
IV. Book value					
1. As at 30 June 2025	151,872,114.03	80,686,189.55	2,221,588,692.99	3,875,041.05	2,458,022,037.62
2. As at 31 December 2024	131,430,593.42	84,464,589.55	2,237,579,165.09	4,017,326.40	2,457,491,674.46

Note: The amortization amount of intangible assets was RMB24,160,069.51 for the period ended of 30 June 2025(For the period ended of 30 June 2024: RMB14,120,511.63).

At the end of the period, there were no intangible assets formed by the company's internal research and development.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets (Continued)

(1) List of Intangible assets (Continued)

The exploration rights owned by the Group were obtained from the acquisition of the Shaanxi Xinxin Xianghe Street Vanadium Mine and the Mujiahe Vanadium Mine in 2011, and Xinjiang Ruoqiang County Kachar southwest stone owned by Xinjiang Hua'ou Mining Industry Co., Ltd., a new consolidated subsidiary added in 2025. As of the date of this report, the application to extend the validity period of the exploration right certificate for the Mujiahe Vanadium Mine has been approved, with the new validity period extending from 14 January 2025 to 14 January 2030. The Group is currently in the process of applying for an extension of the validity period of the exploration right certificate for the Shaanxi Xinxin Xianghe Street Vanadium Mine. The exploration right certificate for the Kachar Southwest Stone deposit in Ruoqiang County, Xinjiang is valid from 6 February 2025 to 15 June 2026.

(2) Land use rights with pending certificates of ownership

As at 30 June 2025, the land with a book value of RMB19,013,062.70 was in the process of applying the property ownership certificates. The Group's management believes that there is no substantial difficulty in obtaining the property ownership certificates described above, and no significant adverse effect would be exerted on the Group's operation.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets (Continued)

(3) Impairment testing of intangible assets

The recoverable amount is determined as the present value of estimated future cash flows

Item	Book value at the beginning of the period	Recoverable amount at the beginning of the period	Impairment amount	Years of the forecast period	Key parameters for the forecast period	Key parameters of the stabilization period	The basis for determining the key parameters of the stability period
Mujihahe exploration rights	28,753,003.40	29,391,988.67	-	28.46 years	Revenue growth rate is 0%, profit margin is 7.54%, and discount rate is 8.00%	Revenue growth rate 0%, profit margin 7.54%, discount rate 8.00%	Revenue growth rate is 0% for the stability period, and the profit margin and discount rate are the same as those of the estimation period.
Xianghe Street exploration rights	12,102,212.18	12,593,627.92	-	25.19 years	Revenue growth rate is 0%, profit margin is 8.05%, and discount rate is 8.35%	Revenue growth rate 0%, profit margin 8.05%, discount rate 8.35%	Revenue growth rate is 0% for the stability period, and the profit margin and discount rate are the same as those of the estimation period.
Total	40,855,215.58	41,985,616.59	-	-	-	-	-

Due to the price fluctuation of goods, there are signs of impairment, and the Group conducts impairment testing of the above-mentioned exploration rights as an asset group at June 2024. In the impairment test, the recoverable amount is determined by the higher of the present value of future cash flows and the fair value of the assets minus disposal costs, and a provision of RMB31,754,162.97 is made for the impairment of intangible assets.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Goodwill

(1) Original value goodwill

Name of the investee or the matter resulting in goodwill	31 December 2024	Increase during the period	Decrease during the period	30 June 2025
Zhongxin Mining	17,844,894.10	–	–	17,844,894.10
Xinjiang Yakesi and Hami treasures	9,987,911.01	–	–	9,987,911.01
Shaanxi Xinxin	254,745.09	–	–	254,745.09
Xinjiang Hua'ou Mining Industry Co., Ltd.	98,093,185.94	–	–	98,093,185.94
Total	126,180,736.14	–	–	126,180,736.14

(2) Provision for impairment of goodwill

Name of the investee or the matter resulting in goodwill	31 December 2024	Increase during the period	Decrease during the period	30 June 2025
Zhongxin Mining	17,844,894.10	–	–	17,844,894.10
Shaanxi Xinxin	254,745.09	–	–	254,745.09
Total	18,099,639.19	–	–	18,099,639.19

(3) Information about the asset group or portfolio of asset groups to which goodwill belongs

All of the Group's goodwill arose when the equity interests in the above companies were acquired. Each company was recognized as an asset group. The asset group to which the goodwill belongs at the end of the period was consistent with the asset group determined at the purchase date and during the impairment tests of goodwill in previous years.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Goodwill (Continued)

(4) Specific method for determining the recoverable amount

The recoverable amount is determined as the present value of estimated future cash flows

Item	Book value at beginning of the period	Recoverable amount	Impairment amount	Years of the forecast period	Key parameters for the forecast period	Key parameters of the stabilization period	The basis for determining the key parameters of the stability period
Xinjiang Yakesi and Hami treasures	2,511,729,259.48	2,560,011,956.12	-	From 2025 to 2026	Revenue growth rate 2%, gross margin 31.95%, discount rate 12.2%	Revenue growth rate 2%, gross margin 43.3%, discount rate 12.2%	Revenue growth rate 2% for the stability period, and the gross margin and discount rate are the same as those of the final year of the estimation period.
Total	2,511,729,259.48	2,560,011,956.12	-	-	-	-	-

17. Provision for impairment of assets and losses

Item	Decrease during the period		30 June 2025
	31 December 2024	Reversal	
Bad debt provision for accounts receivable	4,108,773.13	203,646.95	3,905,126.18
Including: Bad debt provision on an individual basis	137,104.44	137,104.44	-
Bad debt provision by portfolio	3,971,668.69	66,542.51	3,905,126.18
Bad debt provision for other receivables	2,608,658.10	565,988.18	2,042,669.92
Including: Bad debt provision on an individual basis	1,117,745.39	-	1,117,745.39
Bad debt provision by portfolio	1,490,912.71	565,988.18	924,924.53
Provision for the decline in value of inventories	39,664,975.25	403,873.98	39,261,101.27
Provision for impairment of fixed assets	71,881,517.09	-	71,881,517.09
Provision for impairment of intangible assets	167,297,784.42	-	167,297,784.42
Provision for impairment of goodwill	18,099,639.19	-	18,099,639.19
Total	303,661,347.18	1,173,509.11	302,487,838.07

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Long-term prepaid expenses

Item	31 December 2024	Amortization in current period	30 June 2025
Expenditure on improvement of fixed assets under operating leases	1,702,435.15	321,084.18	1,381,350.97

19. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets without offsetting

Item	30 June 2025		31 December 2024	
	Deductible Temporary differences	Deferred tax assets	Deductible Temporary differences	Deferred tax assets
Provision for asset impairment	193,506,678.20	29,026,001.73	194,506,846.10	29,176,026.92
Unrealized profits in insider trading	125,785,229.33	18,867,784.40	111,639,571.40	16,745,935.71
Deferred income	24,057,714.20	3,608,657.13	24,533,230.08	3,679,984.51
Depreciation of fixed assets	31,349,569.60	4,702,435.44	31,349,569.60	4,702,435.44
Mineral royalty	91,213,212.73	13,681,981.91	91,213,212.73	13,681,981.91
Provisions for environment remediation and restoration	146,267,956.01	21,940,193.40	146,267,956.01	21,940,193.40
Deductible losses	12,414,034.13	1,862,105.12	16,182,982.18	2,427,447.33
Dismissal benefits	1,842,349.60	276,352.44	2,222,267.57	333,340.14
Total	626,436,743.80	93,965,511.57	617,915,635.67	92,687,345.36

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Deferred income tax assets and deferred income tax liabilities (Continued)

(2) Deferred tax liabilities without offsetting

Item	30 June 2025		31 December 2024	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset valuation appreciation of business combinations not under common control	1,851,673,253.47	277,750,988.02	1,856,892,818.20	278,533,922.73
Depreciation of fixed assets	31,351,704.87	4,702,755.73	31,578,188.92	4,736,728.34
Amortization of intangible assets	5,307,826.20	796,173.93	5,307,826.21	796,173.93
Long-term payable	50,289,228.60	7,543,384.29	50,289,228.60	7,543,384.29
Provisions for environment remediation and restoration	125,732,481.67	18,859,872.25	125,732,481.67	18,859,872.25
Changes in fair value of derivative financial instruments	224,737.73	33,710.66	444,342.48	66,651.37
Total	2,064,579,232.54	309,686,884.88	2,070,244,886.08	310,536,732.91

Note: Deferred tax liabilities mainly represented the differences between the fair values and tax bases of the mining rights and exploration rights of the acquired companies in business combinations not under common control, fixed assets, mining rights, and land use rights.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Deferred income tax assets and deferred income tax liabilities (Continued)

(3) Deferred tax assets or liabilities presented as the net amount after offsetting

Item	30 June 2025		31 December 2024	
	Offsetting amount of deferred tax assets and liabilities	Deferred tax assets or liabilities after offsetting	Offsetting amount of deferred tax assets and liabilities	Deferred tax assets or liabilities after offsetting
Deferred tax assets	30,720,824.44	63,244,687.13	30,764,732.87	61,922,612.49
Deferred tax liabilities	30,720,824.44	278,966,060.44	30,764,732.87	279,772,000.04

(4) List of unrecognized deferred tax assets

Item	30 June 2025	31 December 2024
Deductible temporary differences	6,302,212.66	139,262.50
Deductible losses	60,533,513.12	57,889,288.07
Total	66,835,725.78	58,028,550.57

(5) Deductible losses that are not recognized as deferred tax assets will fall due in the following years:

Year	30 June 2025	31 December 2024
2025	10,310,998.76	11,311,534.07
2026	12,454,901.68	12,307,738.21
2027	18,215,986.57	17,567,335.01
2028	6,213,122.42	3,603,055.27
2029	13,338,503.69	13,099,625.51
Total	60,533,513.12	57,889,288.07

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Other non-current assets

Item	30 June 2025	31 December 2024
Advances on power expenses	6,035,265.42	12,035,265.42
Advances on long-term assets	14,178,248.68	16,405,394.15
Total	20,213,514.10	28,440,659.57

Note: Advances on power expenses are utilities prepaid by Xinjiang Yakesi to offset power expenses that will be incurred in subsequent years.

21. Assets with restricted ownership or use

Item	30 June 2025			
	Book balance	Book value	Restricted type	Restricted Circumstances
Cash at bank and on hand	82,118,363.41	82,118,363.41	Guarantee	Acceptance bill bond, environmental restoration and safety production bond, land reclamation bond, etc
Total	82,118,363.41	82,118,363.41	–	–

Item	31 December 2024			
	Book balance	Book value	Restricted type	Restricted Circumstances
Cash at bank and on hand	66,485,661.79	66,485,661.79	Guarantee	Deposits for bank acceptance notes, and environmental restoration and production safety deposits, etc
Total	66,485,661.79	66,485,661.79	–	–

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Short-term borrowing

Type of borrowings	30 June 2025	31 December 2024
Credit loans	200,137,777.78	200,159,722.23

Note: As at 30 June 2025, the interest rate on credit borrowings was 2.11% and 2.85% (31 December 2024: 2.85%) °

23. Financial liabilities held for trading

Item	30 June 2025	31 December 2024
Derivative financial liabilities	224,737.71	–

Note: Derivative financial liabilities refer to liabilities arising from changes in fair value of derivative financial instruments – metal trading contracts.

24. Notes payable

Types of notes	30 June 2025	31 December 2024
Bank acceptances notes	190,695,405.06	143,487,517.26

Note: By the end of the period, the aging of the Group's notes payable described above were all within 365 days.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Accounts payable

(1) Accounts payable presented by the nature of payment

Item	30 June 2025	31 December 2024
Payable for purchase of materials	206,977,549.62	268,906,461.46
Payable for purchase of services	670,662.35	68,449,964.93
Transportation fee payable	13,283,774.40	7,380,638.01
Others	—	1,490,525.65
Total	220,931,986.37	346,227,590.05

(2) Accounts payable presented by aging

Item	30 June 2025	31 December 2024
Within 1 year	170,474,579.11	280,669,042.54
1-2 years	27,936,190.30	37,477,746.94
2-3 years	11,630,669.65	16,498,530.21
More than 3 years	10,890,547.31	11,582,270.36
Total	220,931,986.37	346,227,590.05

Note: As at 30 June 2025, accounts payable over one year with the amount of RMB50,457,407.26 (31 December 2024: RMB65,558,547.51) were mainly payables for the purchase of materials. The final settlement for the payments has not been performed.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other payables

Item	30 June 2025	31 December 2024
Other payables	350,415,438.82	238,040,352.82

(1) Other payables presented by nature of payment

Nature of payment	30 June 2025	31 December 2024
Payable for purchase of services	37,500,897.56	3,233,230.72
Payable for purchase of material	1,038,000.00	1,173,488.00
Engineering payments	249,774,836.99	143,512,360.18
Payables to related parties	–	55,139,221.13
Intermediary fee	126,317.17	1,932,968.76
Deposits and margin	26,887,283.70	14,530,072.67
Other payables	35,088,103.40	18,519,011.36
Total	350,415,438.82	238,040,352.82

Note: As at 30 June 2025, other payables over one year with the amount of RMB98,230,141.73 (31 December 2024: RMB18,291,932.425) were mainly payables for engineering payments and equipment expenses. Since the final settlement of the related projects is yet to be completed, the payments have not been settled in full.

27. Advance from customers

Item	30 June 2025	31 December 2024
Income from rent and property services	89,761.91	201,690.95

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Contract liabilities

Item	30 June 2025	31 December 2024
Advances on sales	67,630,931.93	9,193,741.84

Note: As at 30 June 2025, the balance of the Group's contract liabilities was RMB67,630,931.93, of which RMB9,064,516.34 of the opening book value has been transferred to revenue during the period ended 30 June 2025.

29. Employee benefits payable

(1) Classification of employee benefits payable

Item	31 December 2024	Increase during the period	Decrease during the period	30 June 2025
Short-term employment benefits	119,436,850.40	132,621,735.53	160,546,033.25	91,512,552.68
Post-employment benefits – Defined contribution plan	9,960.05	23,912,811.51	23,460,098.90	462,672.66
Termination benefits	741,048.00	370,524.00	379,917.94	731,654.06
Total	120,187,858.45	156,905,071.04	184,386,050.09	92,706,879.40

(2) Short-term employment benefit

Item	31 December 2024	Increase during the period	Decrease during the period	30 June 2025
Salary, bonuses, allowances and subsidies	111,634,446.77	102,711,704.64	130,171,743.06	84,174,408.35
Staff welfare	–	6,071,976.83	5,920,981.28	150,995.55
Social insurance	6,916.35	10,457,830.85	10,457,173.47	7,573.73
Including: Medical insurance	6,831.35	8,614,856.71	8,614,856.71	6,831.35
Work injury insurance	85.00	1,842,974.14	1,842,316.76	742.38
Housing provident fund	–	10,714,645.00	10,714,645.00	–
Labor union fund and employee education fund	7,795,487.28	2,659,153.21	3,275,065.44	7,179,575.05
Total	119,436,850.40	132,615,310.53	160,539,608.25	91,512,552.68

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Employee benefits payable (Continued)

(3) Defined contribution plans

Item	31 December 2024	Increase during the period	Decrease during the period	30 June 2025
Basic pension insurance	3,702.40	16,401,247.68	16,385,106.20	19,843.88
Unemployment insurance	6,257.65	512,268.32	511,724.63	6,801.34
Enterprise annuity payment	–	6,999,295.51	6,563,268.07	436,027.44
Total	9,960.05	23,912,811.51	23,460,098.90	462,672.66

Note: The Group shall pay the pension insurance premiums and unemployment insurance premiums to the relevant agencies every month according to the payment base and proportion stipulated by the local labour and social security department, and the payment shall not be used to offset the amount that the Group shall pay to its employees in the future.

30. Taxes payable

Item	30 June 2025	31 December 2024
Value-added tax	11,570,964.55	4,861,855.93
Corporate income tax	6,844,417.93	1,060,314.04
Individual income tax	459,416.39	222,980.45
Urban maintenance and construction tax	429,919.65	200,257.77
Education surcharge	345,972.72	139,767.85
Resource tax	6,029,491.77	4,508,088.27
Property tax	5,280.19	54,523.91
Land use tax	75.00	75.00
Stamp duty	653,924.23	646,930.10
Environmental protection tax	76,389.32	96,421.44
Others	2,593,996.72	393,322.06
Total	29,009,848.47	12,183,536.82

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Non-current liabilities due within one year

Item	30 June 2025	31 December 2024
Long-term loans due within one year	346,252,847.19	467,839,424.99
Long-term payables due within one year	11,780,512.25	35,792,978.27
Lease liabilities due within one year	1,448,284.63	—
Total	359,481,644.07	503,632,403.26

32. Other current liabilities

Item	30 June 2025	31 December 2024
Output VAT to be charged off	9,003,928.71	1,195,186.44

33. Long-term borrowing

(1) Classification of long-term borrowings

Type of borrowings	30 June 2025	31 December 2024
Credit loans	1,766,049,623.42	563,839,424.99
Less: Long-term loans due within one year	346,252,847.19	467,839,424.99
Total	1,419,796,776.23	96,000,000.00

Note: As at 30 June 2025, the interest rate range for long-term borrowing was between 2.34% and 3.20%(31 December 2024: between 2.80% and 3.70%) °

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Lease liabilities

Item	30 June 2025	31 December 2024
Lease liabilities	3,547,358.27	–
Less: Lease liabilities due within one year	1,448,284.63	–
Total	2,099,073.64	–

35. Long-term payable

Item	30 June 2025	31 December 2024
Long-term payable	276,601,751.28	295,283,686.37
Special payables	3,636,179.68	3,615,179.68
Total	280,237,930.96	298,898,866.05

(1) Long-term payables categorized by nature of payment

Nature of the payment	30 June 2025	31 December 2024
Mineral royalty	460,382,263.53	331,076,664.64
Less: Long-term payables due within one year	183,780,512.25	35,792,978.27
Total	276,601,751.28	295,283,686.37

Note: The Group has included the present value of mineral royalty in the original value of the mining rights of intangible assets (Note V. 15.)

(2) Special payables

Item	31 December 2024	This issue has increased	30 June 2025
Maintenance and improvement grant program for the supply of water, electricity, and heating and property management	3,615,179.68	21,000.00	3,636,179.68

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Long-term payable employee remuneration

Item	30 June 2025	31 December 2024
Dismissal benefits	1,119,055.43	1,481,219.57

37. Provisions

Item	30 June 2025	31 December 2024	Formation causes
Provision for mine closure and environmental restoration	151,877,879.99	148,135,563.22	See the notes on this page

Note: Kalatongke Mining, Xinjiang Yakesi, Hami Jubao, and Xinjiang Hua'ou Mining Industry Co., Ltd. recognized the provision for mine closure and environmental restoration with respect to mine closure costs and tailings dam closure costs. The management discounted projected future expenditures to net present value based on prior years' experience and the best estimate of future expenditures required for environmental restoration. This provision may be modified in future years with the increasingly prominent impact of mining activities on land and the environment. The related mine closure and environmental restoration costs will be reviewed and revised annually as appropriate.

The Group recognizes the costs of mining geological environment restoration and treatment as abandonment costs in accordance with the mining geological environment protection and land reclamation plan and the relevant provisions of the Accounting Standards for Business Enterprises. The costs are included in the recorded cost of the relevant assets, amortized over the estimated mining life in proportion to the production, and charged to production costs.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Deferred income

(1) Deferred income classification

Item	31 December 2024	Increase during the period	Decrease during the period	30 June 2025	Reasons for formation
Government grants	24,533,230.10	5,351,684.32	1,378,422.26	28,506,492.16	Fiscal subsidies

(2) Items of government grants

Liability items	31 December 2024	New subsidy amounts for the period	Amounts charged to other income during the period	30 June 2025	Asset-related/ revenue -related
The Company:					
Special funds for energy conservation and emission reduction in the autonomous region	500,000.18	–	49,999.98	450,000.20	Asset-related
Sulfuration bed renovation and centralized sodium washing project	235,126.00	–	30,666.00	204,460.00	Asset-related
Central funds for air pollution prevention and control	6,167,600.05	–	132,349.98	6,035,250.07	Asset-related
Sub-total of the Company	6,902,726.23	–	213,015.96	6,689,710.27	–

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Deferred income (Continued)

(2) Government Subsidy Projects (Continued)

Liability items	31 December 2024	New subsidy amounts in this period	Amounts charged to other income During the period	30 June 2025	Asset-related/ revenue-related
Land use rights are evaluated and valued	6,817,779.04	–	104,888.94	6,712,890.10	Asset-related
Double-absorption project for sulphuric acid manufacturing	180,000.00	–	72,000.00	108,000.00	Asset-related
Social security subsidies	–	196,684.32	196,684.32	–	Income-related
Financial allocation for key projects	–	5,005,000.00	–	5,005,000.00	Asset-related
The Hami Regional Finance Bureau allocated special funds for technological transformation	257,776.76	–	26,666.88	231,109.88	Asset-related
Special funds for the "six systems" of the Autonomous Region Production Supervision and Administration Bureau	500,000.00	–	225,000.02	274,999.98	Asset-related
The Hami Regional Finance Bureau allocated special funds for energy conservation and emission reduction	96,667.43	–	9,999.84	86,667.59	Asset-related
Environmental protection allocation from the Department of Finance of the Autonomous Region	240,000.93	–	39,999.84	200,001.09	Asset-related
Hami Regional Finance Bureau technical transformation subsidy fund	521,111.64	–	46,666.56	474,445.08	Asset-related
Video intelligent surveillance subsystem construction project	304,833.33	–	31,000.02	273,833.31	Asset-related
Subsidy funds for high-tech enterprises	–	150,000.00	150,000.00	–	Income-related
Special Fund for Geological Exploration (West Section No. 2)	4,990,667.74	–	131,333.28	4,859,334.46	Asset-related
Special funds for technical transformation of later engineering construction projects in the later stage of expansion and mining	935,000.12	–	27,499.98	907,500.14	Asset-related
A new 80,000Nm ³ /h sulfuric acid exhaust gas + 70,000Nm ³ /h cyclic flue gas compound amine desulfurization device was built	2,166,666.88	–	41,666.64	2,125,000.24	Asset-related
Key non-coal mine video intelligent monitoring subsystem	620,000.00	–	61,999.98	558,000.02	Asset-related
Sub-total of subsidiaries	17,630,503.87	5,351,684.32	1,165,406.30	21,816,781.89	–

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Share capital

Item	30 June 2025		31 December 2024	
	Number of shares	Percentage of equity shares (%)	Number of shares	Percentage of equity shares (%)
Unlisted tradable shares	1,259,420,000.00	56.99	1,259,420,000.00	56.99
Holders of other overseas listed foreign shares (H shares)	950,580,000.00	43.01	950,580,000.00	43.01
Total	2,210,000,000.00	100.00	2,210,000,000.00	100.00

Note: The par value per share of the Company is RMB0.25, and the total share capital is RMB552,500,000.00.

There was no movement of the Company's share capital for the period ended 30 June 2025.

40. Capital reserves

Item	31 December 2024	Increase during the period	Decrease during the period	30 June 2025
Contribution from controlling shareholders related to mining rights	35,393,957.53	–	–	35,393,957.53
Share premium	5,097,808,647.74	–	1,098,084,000.00	3,999,724,647.74
Other capital reserves	10,948,492.49	321,273.01	–	11,269,765.50
Total	5,144,151,097.76	321,273.01	1,098,084,000.00	4,046,388,370.77

Notes:

- The difference of RMB35,393,957.53 between the fair value of mining rights acquired from Non-ferrous Group and the present value of the long-term payable for the mining rights was treated as the contribution from Non-ferrous Group to the Company. The capital reserve was formed prior to the listing of the Company on the Main Board of the Stock Exchange of Hong Kong Limited in 2007.
- The difference of RMB3,999,724,647.74 between the paid-in capital and the share capital was recognized in capital reserves as a share premium.
- Non-ferrous Group provided a long-term interest-free borrowing to the Group and the difference of RMB3,815,140.27 between the principal amount of the borrowing and its fair value at initial recognition was recorded as a contribution from Non-ferrous Group to the Group in capital reserves. The borrowing was repaid in 2017.

The net income from debt waiver of RMB7,133,352.22 arising from equity transactions among the original shareholders of Xinjiang Hua'ou Mining Industry Co., Ltd., was an equity transaction.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Capital reserves (Continued)

Notes: (Continued)

4. During this period, Hexin Mining, the joint venture of the Group, made provisions for special reserves, resulting impact of RMB321,273.01 in a capital reserve.
5. In 2025, the parent company acquired 51.00% of the equity interest in Xinjiang Hua'ou Mining Industry Co., Ltd. held by the Non-ferrous Group for a cash consideration of RMB1,098,084,000.00. This transaction constitutes a business combination under common control. The initial investment cost of the long-term equity investment by the parent company amounts to RMB885,581,100.00, which was determined based on the acquirer's proportionate share of the book value of the equity and goodwill of the acquiree as of the acquisition date. The difference of RMB212,502,900.00 between the total equity transfer consideration of RMB1,098,084,000.00 and the initial investment cost shall be recognized as a reduction of capital reserve (capital premium).

41. Special reserves

Item	31 December 2024	Increase during the period	Decrease during the period	30 June 2025
Safety production costs	1,300,130.31	32,699,967.95	24,477,172.55	9,522,925.71

Note: According to the relevant provisions of Cai Zi [2022] No. 136 issued by the State Administration of Work Safety, Kalatongke Mining, Xinjiang Yakesi, and Hami Jubao are required to extract the safety production fund based on the standard of RMB15 per ton of copper-nickel ore (FY 2024: RMB15 per ton). The fund for the tailings ponds of Kalatongke Mining and Xinjiang Yakesi is calculated on the basis of the volume of tailings put in storage. RMB4 per ton is for the tailings of the third and higher grades (FY 2024: RMB4 per ton), and RMB5 per ton is for the tailings of the fourth and fifth grades (FY 2024: RMB5 per ton). Zhongxin Mining and Kalatongke Mining are required to withdraw the safety production fund at 4.5% of the amount of sulfuric acid consumption/sales revenue of the prior year (FY 2024: 4.5%). Zhongxin Mining, Fukang Smelter, and Kalatongke Mining use the excess regressive method for the withdrawal of the safety production fund based on the smelting revenue of the prior year. The safety production fund is withdrawn and included in the production costs and special reserves and is used to directly write down special reserves as incurred if the fund is an expense in nature. When special reserves give rise to fixed assets, the special reserves are reduced by the cost of the generated fixed assets, and the same amount of accumulated depreciation is recognized. The related assets are no longer depreciated in subsequent periods. The amount of the safety production fund used for the expenditure on safety-related projects was RMB24,477,172.55 for the six months ended 30 June 2025 (For the six months ended 30 June 2024: RMB20,747,323.89).

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Surplus reserves

Item	30 June 2025	31 December 2024
Statutory surplus reserves	276,250,000.00	276,250,000.00

Note: According to the Company Law of the People's Republic of China and the Articles of Association of the Company, the Company shall withdraw the statutory surplus reserve at the rate of 10% of the annual net profit, and may no longer withdraw the statutory surplus reserve when the accumulative amount reaches more than 50% of the share capital. The statutory surplus reserve can be used to cover losses or increase the share capital after approval.

43. Undistributed profits

Item	30 June 2025	30 June 2024
Undistributed profits at the beginning of the period	488,915,211.92	415,616,379.71
Add: Net profit attributable to the shareholders of the Company during the period	71,646,188.34	143,957,457.02
Less: Dividends payable for ordinary shares	–	110,500,000.00
Less: Business combination under the common control	1,521,310.59	–
Closing balance of the period	559,040,089.67	449,073,836.73

44. Revenue and cost of sales

(1) Details of revenue and cost of sales

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Revenue	cost	Revenue	cost
Main operation	1,100,458,189.04	866,676,727.64	1,054,384,266.84	746,625,875.02
Other operations	17,439,313.60	16,807,884.97	10,972,470.15	6,444,470.28
Total	1,117,897,502.64	883,484,612.61	1,065,356,736.99	753,070,345.30

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Revenue and cost of sales (Continued)

(1) Breakdown of revenue and cost of sales

Classification of contracts	Six months ended 30 June 2025			
	Segment 1 Revenue	Cost of sales	Total Revenue	Cost of sales
Type of operation				
Main business	1,100,458,189.04	866,676,727.64	1,100,458,189.04	866,676,727.64
Electrolytic nickel	627,861,245.24	465,005,955.01	627,861,245.24	465,005,955.01
Copper cathode	315,691,360.21	312,463,615.08	315,691,360.21	312,463,615.08
Sales of board slag, water slag and other waste residue	62,023,595.55	8,443,106.16	62,023,595.55	8,443,106.16
Others	94,881,988.04	80,764,051.39	94,881,988.04	80,764,051.39
Other operations	17,439,313.60	16,807,884.97	17,439,313.60	16,807,884.97
Sales of materials	3,100,864.44	2,461,906.24	3,100,864.44	2,461,906.24
House rent	1,894,226.78	2,425,755.07	1,894,226.78	2,425,755.07
Sales of electricity	8,914,153.21	8,606,027.68	8,914,153.21	8,606,027.68
Orefield heating	4,516.51	4,516.51	4,516.51	4,516.51
Others	3,525,552.66	3,309,679.47	3,525,552.66	3,309,679.47
Classified by region of operation				
Domestic	1,117,897,502.64	883,484,612.61	1,117,897,502.64	883,484,612.61
Overseas	—	—	—	—
Classification by time of goods transfer				
Transfer at a point in time	1,107,084,606.14	872,448,313.35	1,107,084,606.14	872,448,313.35
Transfer over time	10,812,896.50	11,036,299.26	10,812,896.50	11,036,299.26
Classified by sales				
Direct sales	1,117,897,502.64	883,484,612.61	1,117,897,502.64	883,484,612.61
Total	1,117,897,502.64	883,484,612.61	1,117,897,502.64	883,484,612.61

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Revenue and cost of sales (Continued)

(2) Decomposition information of operating income and operating costs (Continued)

Classification of contracts	For the six months ended 30 June 2024			
	Segment 1 Revenue	Cost of sales	Total Revenue	Cost of sales
Type of operation				
Main business	1,054,384,266.84	746,625,875.02	1,054,384,266.84	746,625,875.02
Electrolytic nickel	531,526,235.51	332,222,964.37	531,526,235.51	332,222,964.37
Copper cathode	208,800,500.55	184,649,723.23	208,800,500.55	184,649,723.23
Sales of board slag, water slag and other waste residue	218,680,602.70	142,510,517.82	218,680,602.70	142,510,517.82
Others	95,376,928.08	87,242,669.60	95,376,928.08	87,242,669.60
Other operations	10,972,470.15	6,444,470.28	10,972,470.15	6,444,470.28
Sales of materials	2,474,397.75	1,747,313.99	2,474,397.75	1,747,313.99
House rent	2,801,909.70	2,389,305.33	2,801,909.70	2,389,305.33
Sales of electricity	883,968.88	867,329.43	883,968.88	867,329.43
Orefield heating	24,562.40	28,178.90	24,562.40	28,178.90
Others	4,787,631.42	1,412,342.63	4,787,631.42	1,412,342.63
Classified by region of operation				
Domestic	1,065,356,736.99	753,070,345.30	1,065,356,736.99	753,070,345.30
Classification by time of goods transfer				
Transfer at a point in time	1,061,646,296.01	749,785,531.64	1,061,646,296.01	749,785,531.64
Transfer over time	3,710,440.98	3,284,813.66	3,710,440.98	3,284,813.66
Classified by sales				
Direct sales	1,065,356,736.99	753,070,345.30	1,065,356,736.99	753,070,345.30
Total	1,065,356,736.99	753,070,345.30	1,065,356,736.99	753,070,345.30

(3) Information related to performance obligations

The Group's sales of electrolytic nickel and copper cathode are all performed at a point in time according to sales contracts. As for the performance obligations performed at a point in time, revenue is recognized when the customer obtains control.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Taxes and surcharges

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Resource tax	9,231,793.69	7,809,210.31
Property taxes	6,399,175.46	6,262,581.32
Education fee surcharge	3,175,718.69	2,973,627.78
City maintenance and construction tax	2,605,869.21	2,341,637.12
Land use tax	2,236,883.27	1,960,889.63
Stamp duty	1,883,482.24	1,033,801.96
Others	4,745,266.06	266,379.45
Total	30,278,188.62	22,648,127.57

46. Selling expenses

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Loading and unloading fee and transportation fee	5,600,343.11	3,891,084.91
Employee benefits	1,472,608.92	2,116,098.22
Administrative and travel expenses	46,362.63	27,046.75
Depreciation	11,409.52	16,102.83
Others	655,954.76	392,747.95
Total	7,786,678.94	6,443,080.66

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. General and administrative expenses

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Employee benefits	47,665,918.50	45,302,841.01
Depreciation and amortisation	14,171,081.30	12,739,602.08
Intermediary fee	2,321,924.42	3,159,935.77
Office expenses	537,396.61	4,511,039.86
Comprehensive support service charge	1,613,207.52	1,613,207.52
Leasing fees	398,831.10	1,571,320.43
Others	18,069,520.71	15,997,932.23
Total	84,777,880.16	84,895,878.90

48. Development costs

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Material consumption	16,435,743.24	3,615,754.74
Employee benefits	2,970,591.51	2,057,230.09
Depreciation and amortisation	825,970.71	1,122,663.13
Inspection, testing, and other costs	5,059,971.49	2,003,423.86
Total	25,292,276.95	8,799,071.82
Including : Expensed research and development expenditures	25,292,276.95	8,563,222.76
Capitalized research and development expenditures	—	235,849.06

(1) Research and development expenses

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Material consumption	16,435,743.24	3,615,754.74
Employee benefits	2,970,591.51	2,057,230.09
Depreciation and amortisation	825,970.71	1,122,663.13
Inspection, testing, and other costs	5,059,971.49	1,767,574.80
Total	25,292,276.95	8,563,222.76

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Capitalized research and development expenditure (Continued)

(2) Development expenses

1. Research and development projects eligible for capitalization

Item	31 December 2024	Increase during the current period		Decrease during the current period			30 June 2025
		Internal development spending	Others	Recognized as intangible assets	Transferred to the profit and loss of the current period	Others	
Hami Tower Mountain Project	3,417,641.52	-	-	-	-	-	3,417,641.52
Copper exploration around the Kalatongke mining area in Fuyun County, Xinjiang	2,996,513.50	-	-	-	-	-	2,996,513.50
Ushkosita West Vanadium Mine	235,849.06	-	-	-	-	-	235,849.06
Xinjiang Yakesi Resources Development Co., Ltd. beryllium copper alloy network collaborative manufacturing new model application project	3,882,835.21	-	-	-	-	-	3,882,835.21
Xinjiang Yakesi Huangshan Copper-Nickel Mine 350 mid-section motor vehicle unmanned project	283,185.86	-	-	-	-	-	283,185.86
Production control platform software development	1,561,007.99	-	-	-	-	-	1,561,007.99
Exploration expenditure	9,639,371.37	-	-	-	-	-	9,639,371.37
Total	22,016,404.51	-	-	-	-	-	22,016,404.51

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Finance costs

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Interest expense	12,865,255.40	11,788,655.11
Less: Interest income	2,191,199.03	5,846,698.16
Add: Other expenses	9,798,287.55	10,396,595.61
Total	20,472,343.92	16,338,552.56

50. Other income

Source of other income	Six months ended 30 June 2025	Six months ended 30 June 2024	Asset-related/ income-related
Special subsidy funds for energy conservation and emission reduction	315,332.94	253,332.96	Asset-related
Special funds for technological transformation	355,516.02	478,730.28	Asset-related
Others	707,573.30	104,888.94	Asset-related
Sub-total	1,378,422.26	836,952.18	–
Enterprise social security subsidy	34,293.28	800,456.50	Revenue-related
Refund of value-added tax	4,767,716.71	11,101,995.68	Revenue-related
Others	1,718,891.92	427,420.31	Revenue-related
Sub-total	6,520,901.91	12,329,872.49	–
Total	7,899,324.17	13,166,824.67	–

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Gains(losses) on changes in fair value

Sources of gains on changes in fair value	Six months ended 30 June 2025	Six months ended 30 June 2024
Derivative financial assets and derivative financial liabilities – metal trading contracts	(3,247,446.41)	15,539,621.24

52. Investment income(loss)

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Net (loss) profit from a joint venture under equity method	(5,010,731.60)	194,774.95
Unrealized net profit between joint ventures and the group	19,242,861.38	11,083,849.69
Investment income from the disposal of financial assets held for trading	–	117,926.03
Total	14,232,129.78	11,396,550.67

Note: The Group does not have significant restrictions on investment income repatriation.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Credit impairment losses

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Bad debt losses on accounts receivable	203,646.95	1,938,073.89
Bad debt loss of notes receivable	—	(12,888.72)
Bad debt losses on other receivables	565,988.18	66,656.47
Total	769,635.13	1,991,841.64

54. Asset impairment losses

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Loss on decline in value of inventories and impairment loss on contract performance costs	—	(10,802,597.63)
Impairment losses on intangible assets	—	(31,754,162.97)
Total	—	(42,556,760.60)

55. (Loss)Gain on disposal of assets

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Gain on disposal of fixed assets	66,797.60	—
Loss on disposal of intangible assets	(1,513,800.00)	—
Total	(1,447,002.40)	—

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Non-operating income

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Amount recognised in non- recurring profit or loss for the six months ended 30 June 2025
Fines and forfeitures	726,393.58	627,652.13	726,393.58
Amounts not required to be paid	164,901.55	0.25	164,901.55
Others	1,193,179.28	1,905,126.52	1,193,179.28
Total	2,084,474.41	2,532,778.90	2,084,474.41

57. Non-operating expenses

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	The amount of non-recurring profit or loss for the six months ended 30 June 2025
Loss on damaged or scrapped non-current assets	374,012.17	293,922.29	374,012.17
External donation expenditure	—	989.59	—
Expenses for damages, liquidated damages and penalties	587,397.83	657,320.41	587,397.83
Others	1,347,255.95	587,541.18	1,347,255.95
Total	2,308,665.95	1,539,773.47	2,308,665.95

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Income tax expense

(1) Income tax expense

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Income tax expenses during the period	17,949,338.95	25,637,119.69
Deferred income tax expenses	(2,128,014.25)	18,168,680.57
Total	15,821,324.70	43,805,800.26

(2) Adjustments to accounting profit and income tax expenses

Item	Six months ended 30 June 2025
Total consolidated profit	83,787,970.16
Income tax expense calculated at statutory/applicable tax rates	12,568,195.54
Effect of applying different tax rates to subsidiaries	(1,198,052.16)
Effect of non-taxable income	(97,500.00)
Effect of non-deductible costs, expenses, and losses	4,143,776.05
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period	404,905.27
Income tax expenses	15,821,324.70

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to the Company's common shareholders by the weighted average of common shares outstanding:

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Consolidated net profit attributable to common shareholders of the Company	71,646,188.34	143,957,457.02
Weighted average of common shares outstanding of the Company	2,210,000,000.00	2,210,000,000.00
Basic earnings per share	0.032	0.065
Including: Basic earnings per share for continuing operations		
Basic earnings per share for discontinued operations	0.032	0.065

(2) Diluted earnings per share

Diluted earnings per share is computed by dividing consolidated net income attributable to the Company's common stockholders, as adjusted for dilutive potential common shares, by the adjusted weighted average of common shares of the Company issued and outstanding. There were no dilutive potential common shares for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil) and therefore diluted earnings per share were equal to basic earnings per share.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Cash flow statement items

(1) Cash related to operating activities

1) Cash received relating to other operating activities

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Interest income	2,191,199.03	3,827,410.37
Government grants received	5,351,684.32	904,179.05
Reserves, deposits, and guarantees	—	10,513,473.72
Others	3,837,659.61	26,611,654.47
Total	11,380,542.96	41,856,717.61

2) Cash paid relating to other operating activities

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Restricted cash at bank	15,632,701.62	1,051,571.80
Payment of loading, unloading, and transportation fees	6,076,786.75	361,958.66
Payment of intermediary fees	2,321,924.42	4,398,522.33
Research services and exploration fees	2,048,399.59	5,633,582.15
Machine and material repair costs	123,743.98	865,708.35
Pay administrative and office expenses	539,661.38	3,073,864.97
Comprehensive support service fee	1,613,207.52	1,655,421.40
Payment of greening fees	710,795.83	180,952.52
Rental fees	398,831.10	253,200.87
Payment of bank transaction fees	46,455.39	31,316.34
Vehicle transportation expenses	789,311.02	824,002.27
Other sporadic expenses	84,642,296.40	30,956,706.57
Total	114,944,115.00	49,286,808.23

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Cash flow statement items (Continued)

(2) Cash related to investment activities

1) Cash received related to investing activities

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Structured deposit redemption	—	11,000,000.00

2) Cash paid related to other investment activities

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Fair value changes	2,578,366.22	—
Others	—	102,313,100.00
Total	2,578,366.22	102,313,100.00

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Cash flow statement items (Continued)

(3) Cash related to financing activities

1) Cash paid related to financing activities

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Cash paid by businesses consolidation under common control	1,098,084,000.00	—
Payment of lease liabilities	594,489.40	—
Total	1,098,678,489.40	—

(4) Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the enterprise's financial position or may affect the enterprise's cash flows in the future

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Inventory procurement funds paid with bank acceptance notes	22,819,248.44	553,302,529.49
Purchase funds for long-term assets paid with bank acceptance notes	390,649,317.96	134,751,783.44
Total	413,468,566.40	688,054,312.93

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Cash flow statement supplement

(1) Cash flow statement supplement

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
1. Reconcile net profit to cash flow from operating activities:		
Net profit	67,966,645.46	130,122,812.03
Add: Provision for asset impairment	—	42,556,760.60
Credit impairment losses	(769,635.13)	(1,989,841.64)
Depreciation expense	136,394,669.22	131,869,062.79
Amortization of intangible assets	27,938,469.51	14,143,345.15
Amortization of long-term prepaid expenses	321,084.18	321,084.18
Loss (gains) on disposal of fixed assets, intangible assets and other long-term assets	1,447,002.40	(161,263.33)
Losses on scrapping of fixed assets	374,012.17	293,922.29
Safety production fee	8,222,795.40	—
Losses(gains) on changes in fair value	3,247,446.41	(15,539,621.24)
Finance expenses	12,865,255.40	11,815,726.77
Losses on investment	(14,232,129.78)	(11,396,550.67)
Decrease in deferred tax liabilities	(1,378,422.26)	—
Decrease (increase) in deferred tax assets	(1,322,074.64)	26,418,704.60
Decrease in deferred tax liabilities	(805,939.60)	(8,250,024.03)
Decrease in inventories	43,513,689.55	126,768,917.11
Decrease(increase) in operating receivables	11,458,632.21	(60,794,741.77)
Increase in operating payables	(85,359,771.67)	(227,787,849.37)
Increase in restricted monetary funds	(15,632,701.62)	—
Net cash flows generated from operating activities	194,249,027.21	158,390,443.47
2. The net movement of cash and cash equivalents		
Closing balance of cash	547,036,529.43	669,599,258.42
Less: Opening balance of cash	582,405,823.83	655,134,878.81
Net (decrease)increase in cash and cash equivalents	(35,369,294.40)	14,464,379.61

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Cash flow statement supplement (Continued)

(2) Composition of cash and cash equivalents

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Cash	547,036,529.43	669,599,258.42
Including: Cash on hand	—	—
Unrestricted cash at bank	547,036,529.43	669,599,258.42
Cash equivalents	—	—
Cash and cash equivalents at the end of the period	547,036,529.43	669,599,258.42

62. Lease

The Group does not lease fixed assets through financial leases.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VI. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiaries	Registered capital	Types of legal entities	Main operation place	Place of registration	Nature of the business	Shareholding percentage (%)		Acquisition method
						Direct	Indirect	
Xinjiang Yakesi Resources Development Co., Ltd.	500,000,000.00	Joint-stock company	Hami, the PRC	Hami, the PRC	Mining	99.51	0.49	Business combination not under common control
Hami Jubao Resources Development Co., Ltd.	120,000,000.00	Limited Liability Company	Hami, the PRC	Hami, the PRC	Mining	98.96	1.04	Business combination not under common control
Xinjiang Zhongxin Mining Co., Ltd.	120,000,000.00	Limited Liability Company	Hami, the PRC	Hami, the PRC	Smelting	97.58	–	Business combination not under common control
Xinjiang Kalatongke Mining Co., Ltd.	1,230,000,000.00	Limited Liability Company	Fuyun, the PRC	Fuyun, the PRC	Mining, smelting	100.00	–	Through establishment or investment
Shaanxi Xinxin Mining Co., Ltd.	10,000,000.00	Limited Liability Company	Shangnan, the PRC	Shangnan, the PRC	Mining	51.00	–	Business combination not under common control
Xinjiang Mengxi Mining Co., Ltd. (Note).	15,918,400.00	Limited Liability Company	Hami, the PRC	Hami, the PRC	Mining	51.00	–	Through establishment or investment
Beijing Xinding Shunze High-Tech Co., Ltd.	145,000,000.00	Limited Liability Company	Beijing, the PRC	Beijing, the PRC	R&D, property management	100.00	–	Through establishment or investment
Xinjiang Hua'ou Mining Industry Co., Ltd.	113,000,000.00	Limited Liability Company	Ruoqiang, the PRC	Ruoqiang, the PRC	Mining	51.00	–	Business combination under common control

Note: The subsidiary was deregistered in April 2025.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Company excluded in the scope of the consolidation in this period

Name of former company	Mengxi Mining	
	Disposal date	31 December
Deadline	April 14, 2025	2024
Asset	6,524,109.99	6,517,596.34
Liabilities	—	1,749.33
Owner's equity	6,524,109.99	6,515,847.01

Name of former company	Mengxi Mining	
	From January 1, 2025 to disposal date	Year ended 31 December 2024
Period		
Revenue	—	—
Cost of sales	—	—
Operating profit	8,498.57	73,924.98
Total profit	8,498.57	73,924.98
Net profit	8,498.57	70,217.44

(3) Significant non-wholly owned subsidiaries

Name of subsidiaries	Non-controlling shareholding percentage	Profit(loss) attributable to non-controlling shareholders for six months ended 30 June 2025	Balance of non-controlling interests on 30 June 2025
Xinjiang Zhongxin Mining Co., Ltd.	2.42%	1,804,653.84	(3,554,003.10)
Shaanxi Xinxin Mining Co., Ltd.	49.00%	(829,780.32)	5,683,167.91
Xinjiang Hua'ou Mining Industry Co., Ltd.	49.00%	(1,461,651.36)	751,901,615.77

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VI. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(4) Key financial information of significant non-wholly-owned subsidiaries

Name of subsidiaries	30 June 2025					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Xinjiang Zhongxin Mining Co., Ltd.	29,140,640.12	72,462,126.59	101,602,766.71	35,624,904.23	212,837,494.56	248,462,398.79
Shaanxi Xinxin Mining Co., Ltd.	26,365.49	39,112,261.67	39,138,627.16	20,576,521.41	6,963,803.89	27,540,325.30
Xinjiang Hua'ou Mining Industry Co., Ltd.	152,886,085.52	2,036,652,650.59	2,189,538,736.11	178,523,509.58	476,522,133.12	655,045,642.70

Name of subsidiaries	31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Xinjiang Zhongxin Mining Co., Ltd.	31,904,331.38	73,904,394.68	105,808,726.06	36,954,043.14	213,090,056.20	250,044,099.34
Shaanxi Xinxin Mining Co., Ltd.	201,860.17	42,890,661.67	43,092,521.84	22,836,986.87	6,963,803.89	29,800,790.76
Xinjiang Mengxi Mining Co., Ltd.	6,517,596.34	–	6,517,596.34	1,749.33	–	1,749.33
Xinjiang Hua'ou Mining Industry Co., Ltd.	134,764,392.51	1,691,201,985.11	1,825,966,377.62	65,554,187.83	222,936,134.43	288,490,322.26

Name of subsidiaries	For the six months ended 30 June 2025			
	Revenue	Net loss	Total comprehensive loss	Operating cash flow
Xinjiang Zhongxin Mining Co., Ltd.	–	(2,624,258.80)	(2,624,258.80)	(1,170,948.58)
Shaanxi Xinxin Mining Co., Ltd.	–	(1,693,429.22)	(1,693,429.22)	(175,494.68)
Xinjiang Hua'ou Mining Industry Co., Ltd.	11,822,959.99	(2,982,961.95)	(2,982,961.95)	(26,027,218.52)

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(4) Key financial information of significant non-wholly-owned subsidiaries (Continued)

Name of subsidiaries	For the six months ended 30 June 2024			
	Revenue	Net (loss)profit	Total comprehensive (loss) profit	Operating cash flow
Xinjiang Zhongxin Mining Co., Ltd.	37,327.89	(9,232,134.15)	(9,232,134.15)	(175,950.99)
Shaanxi Xinxin Mining Co., Ltd.	–	(23,963,837.54)	(23,963,837.54)	(11,399.91)
Xinjiang Mengxi Mining Co., Ltd.	–	40,834.35	40,834.35	(5,514,053.90)
Xinjiang Hua'ou Mining Industry Co., Ltd.	–	9,536.33	(3,855,011.80)	(8,478,520.71)

2. Interests in a joint venture

(1) Significant joint venture

Name of the joint venture	Main operation place	Place of registration	Nature of the business	Shareholding ratio (%)		Accounting treatment method
				Direct	Indirect	
Hexin Mining	Hami, the PRC	Hami, the PRC	mining	50.00	–	Equity method

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VI. RIGHTS AND INTERESTS IN OTHER SUBJECTS (CONTINUED)

2. Interest in a joint venture (Continued)

(2) Key financial information on the significant joint venture

Item	Six months ended 30 June 2025/30 June 2025	Six months ended 30 June 2024/31 December 2024
Current assets	64,050,140.11	73,680,278.09
Where: cash and cash equivalents	8,451,066.46	8,717,871.74
Non-current assets	415,129,633.76	421,944,449.49
Total assets	479,179,773.87	495,624,727.58
Current liabilities	158,158,210.88	164,939,247.42
Non-current liabilities	161,205.37	446,205.37
Total liabilities	158,319,416.25	165,385,452.79
Total net assets	320,860,357.62	330,239,274.79
Including: Non-controlling interests	—	—
Equity attributable to shareholders of the parent company	320,860,357.62	330,239,274.79
Share of net assets based on percentage of shareholding	160,430,178.79	165,119,637.38
– Goodwill	44,668,386.35	44,668,386.35
– Unrealized profits in internal trading	—	(19,242,861.38)
Book value of equity investments in the joint venture	205,098,565.14	190,545,162.35

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. RIGHTS AND INTERESTS IN OTHER SUBJECTS (CONTINUED)

2. Interest in a joint venture or associate (Continued)

(2) Key Financial Information of the significant joint venture (Continued)

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Revenue	64,144,546.85	68,907,996.29
Income tax expenses	1,471,212.36	–
Net loss	(10,021,463.19)	(982,526.89)
Total comprehensive loss	(10,021,463.19)	(982,526.89)
Dividends received from the joint venture	–	–

Note: The Group, based on the amount assigned to the Company in the financial statements of joint venture, calculates asset share in proportion to the number of shares owned. The amount in the financial statements of the joint venture has taken the fair value of identifiable assets and liabilities of the investee joint venture and adopting consistent accounting policies into consideration.

VII. FINANCIAL INSTRUMENTS AND RISK

The Group's activities expose it to a variety of financial risks: market risk (primarily foreign exchange risk, interest rate risk, and concentration risk), credit risk, and liquidity risk. The financial risks mentioned above and the risk management policies adopted by the Group to mitigate these risks are described below:

The Board is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and related guidelines, and supervising the implementation of the risk management measures. The Group has developed risk management policies to identify and analyze the risks to which the Group is exposed. These risk management policies specify specific risks and cover various aspects such as market risk, credit risk, and liquidity risk management. The Group regularly evaluates the market environment and changes in the Group's operating activities to determine whether to update the risk management policies and systems. The risk management of the Group is carried out by the Risk Management Committee in accordance with the policy approved by the Board. The Risk Management Committee identify, evaluate, and evade related risks by working closely with other business units of the Group. The Group's internal audit department controls the risk management system and procedures for periodic review, and the audit results are reported to the Group's audit committee.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

*For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)*

VII. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

1. Market risk

(1) Foreign exchange risk

The Group's main operations are located in China and its main business is settled in RMB. The Group's recognized foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are denominated primarily in US dollars and Hong Kong dollars) are exposed to foreign exchange risk. The Group continuously monitors the size of the Group's foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks it faces, and for this reason, the Group may aim to avoid foreign exchange risk by signing forward foreign exchange contracts or currency swap contracts. The Group had not signed any forward foreign exchange contracts or currency swap contracts as at 30 June 2025 and 31 December 2024.

As at 30 June 2025 and 31 December 2024, the Group did not hold foreign currency financial assets and foreign currency financial liabilities.

(2) Interest rate risk

The Group's interest rate risk arises from bank borrowings. Floating rate financial liabilities expose the Group to cash flow interest rate risk, fixed rate financial liabilities expose the Group to fair value interest rate risk. The Group adjusts the relative proportion of contracts at a fixed rate and contracts at a floating rate based on market situation. As at 30 June 2025, the Group's interest-bearing debts were RMB-denominated floating rate loan contracts with an aggregate amount of RMB1,965,296,776.23 (31 December 2024: RMB763,700,000.00).

The Group continuously monitors its interest rate level. A rise in interest rates would increase the cost of new interest-bearing debt and interest expense on the Group's outstanding interest-bearing debt at floating rates and have a material adverse effect on the Group's financial results, and management makes timely adjustments based on the latest market conditions, which may be in the form of interest rate swap arrangements to reduce interest rate risk. The Group had no interest rate swap arrangements during the six-month period ended 30 June 2025 and the year 2024.

As at 30 June 2025, if interest rates on borrowings at variable rates had decreased or increased by 10% with all other factors held constant, the Group's net profit would have increased or decreased by RMB5,210,779.42 (31 December 2024: net profit would have increased or decreased by RMB2,517,154.15).

(3) Concentration risk

The Group's revenue is mainly derived from the sales of electrolytic nickel, cathode copper, and other tailings, and 71.98% of the sales revenue for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 58.00%) was derived from the top three customers, and the Group has not entered into any long term sales contracts with these three customers, among others. In the event that these major customers terminate their business relationships with the Group and the Group fails to find new customers, it may have a material adverse impact on the Group's financial position and results of operations.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

2. Credit risk

The Group's credit risk mainly arises from cash, notes receivable, accounts receivable, financing receivables, other receivables, financial guarantee contracts etc. As at the balance sheet date, the book value of the Group's financial assets represents their full credit risk exposure. The maximum credit risk exposure off the balance sheet is RMB25,000,000.00 which arises from the undertaking of a financial guarantee.

As at 30 June 2025, the amounts of financial guarantees provided by the Group to Hexin Mining amounted to a principal amount of RMB25,000,000.00, with no payment in lieu, overdue interest or penalty. The Group assesses that there is no credit impairment loss for the financial guarantee contract.

The financial guarantee provided by the Group is the guarantee for the joint venture. The Group continuously monitors the financial position of joint ventures and manages credit risk exposure by controlling the total amount of guarantee and providing a guarantee jointly with the other participants of joint ventures to ensure that the credit risk is limited to a controllable extent.

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other medium or large size listed banks, and no significant losses are expected from non-performance by these counterparties.

In addition, the Group has policies to limit the credit exposure on notes receivable, accounts receivable, financing receivables, other receivables, etc. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantees from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 30 June 2025, the Group had no significant collateral and other credit enhancements held as a result of debtor mortgages (31 December 2024: nil)

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

3. Liquidity risk

Cash flow forecasting was performed by each subsidiary of the Group. The Group's finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities from a major financial institution so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

(1) The undiscounted contractual cash flows of each of the Group's financial liabilities are presented below by maturity date:

Item	30 June 2025				
	Within one year	One to two years	Two to five years	Over five years	Total
Short-term borrowing	202,648,922.92	–	–	–	202,648,922.92
Financial liabilities held for trading	224,737.71	–	–	–	224,737.71
Notes payable	190,695,405.06	–	–	–	190,695,405.06
Accounts payable	220,931,986.37	–	–	–	220,931,986.37
Other payables	350,415,438.82	–	–	–	350,415,438.82
Long-term borrowing	355,589,500.00	208,605,028.98	813,402,864.76	466,833,283.02	1,844,430,676.75
Long-term payable	196,287,569.45	12,910,356.17	123,645,851.42	152,470,199.21	485,313,976.25
Lease liabilities	1,448,284.63	1,498,327.41	832,285.19	–	3,778,897.23
Total	1,518,241,844.96	223,013,712.56	937,881,001.36	619,303,482.23	3,298,440,041.11

Item	31 December 2024				
	Within one year	One to two years	Two to five years	Over five years	Total
Short-term borrowing	202,937,638.89	–	–	–	202,937,638.89
Notes payable	143,487,517.26	–	–	–	143,487,517.26
Accounts payable	346,227,590.05	–	–	–	346,227,590.05
Other payables	238,040,352.82	–	–	–	238,040,352.82
Long-term borrowing	471,312,375.00	96,000,000.00	–	–	567,312,375.00
Long-term payable	151,932,910.00	51,755,413.24	147,698,730.00	312,170,110.00	663,557,163.24
Total	1,553,938,384.02	147,755,413.24	147,698,730.00	312,170,110.00	2,161,562,637.26

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

3. Liquidity risk (Continued)

- (2) As at the balance sheet date, the Group's financial guarantees provided to external parties are analysed below based on the maximum amounts and the earliest periods in which the guarantees could be called:

Item	30 June 2025				
	Within one year	One to two years	Two to five years	Over five years	Total
Financial guarantees	25,000,000.00	–	–	–	25,000,000.00

Item	31 December 2024				
	Within one year	One to two years	Two to five years	Over five years	Total
Financial guarantee	25,000,000.00	–	–	–	25,000,000.00

- (3) The Group bank borrowings were analysed by repayment terms as follows:

Item	30 June 2025	31 December 2024
Within one year	545,500,000.00	667,700,000.00
One to two years	202,761,766.00	96,000,000.00
Two to five years	773,826,424.00	–
Over five years	443,208,586.23	–
Total	1,965,296,776.23	763,700,000.00

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. FAIR VALUE DISCLOSURES

The level to which the fair value measurement result belongs is determined by the lowest level to which the input values that are important to the fair value measurement as a whole belong:

Level 1: Unadjusted quotes for the same asset or liability in an active market.

Level 2: Inputs other than Level 1 inputs that are observable for the related asset or liability, either directly or indirectly.

Level 3: The unobservable input value of the related asset or liability.

1. Assets and liabilities continuously measured at fair value

Assets and liabilities continuously measured at fair value based on the above three levels as at 30 June 2025 are listed as follows:

Item	30 June 2025			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Financing receivables – Notes receivable	–	–	106,418,104.33	106,418,104.33
Total financial assets	–	–	106,418,104.33	106,418,104.33
Financial liabilities held for trading	224,737.71	–	–	224,737.71
Total financial liabilities	224,737.71	–	–	224,737.71

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. FAIR VALUE DISCLOSURES (CONTINUED)

1. Assets and liabilities continuously measured at fair value (Continued)

Assets and liabilities continuously measured at fair value based on the above three levels as at 31 December 2024 are listed as follows:

Item	31 December 2024			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Financing receivables – Notes receivable	–	–	59,407,818.41	59,407,818.41
Financial assets held for trading – derivative financial instruments	444,342.48	–	–	444,342.48
Total financial assets	444,342.48	–	59,407,818.41	59,852,160.89
Financial liabilities held for trading	–	–	–	–
Total financial liabilities	–	–	–	–

The Group confirms its converting point based on the date of occurrence of the matters leading to conversion between levels. No conversion existed between Level 1 and Level 2 during the period.

The fair value of financial instruments traded in an active market is determined at the quoted market price, and the fair value of those not traded in an active market is determined by the Group using valuation techniques. The valuation model used is mainly the discounted cash flow model, and the inputs of the valuation technique primarily include risk-free interest rates, benchmark interest rates, and expected rates of return.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. FAIR VALUE DISCLOSURES (CONTINUED)

1. Ongoing assets and liabilities at fair value (Continued)

The movement of the above assets and liabilities in Level 3 was listed as follows:

As at 30 June 2025:

Item	31 December 2024	Increase	Decrease	Recognized in profit or loss	Recognized in other comprehensive income	30 June 2025	Change in unrealized gains or losses in profit or loss in six - month period of 2025 - Profit or loss on changes in fair value
Financing receivables – Notes receivable	59,407,818.41	568,255,716.09	521,245,430.17	–	–	106,418,104.33	–

As 31 December 2024:

Item	December 31, 2023	Increase	Decrease	Recorded in profit and loss	Recognized in other comprehensive income	31 December 2024	Change in unrealized gains or losses in profit or loss in 2024 – Profit or loss on changes in fair value
Financial assets held for trading – Structural deposit	11,000,000.00	–	11,000,000.00	117,926.03	–	–	–
Financing receivables – Notes receivable	119,680,583.62	677,656,904.80	737,929,670.01	–	–	59,407,818.41	–
Subtotal	130,680,583.62	677,656,904.80	748,929,670.01	117,926.03	–	59,407,818.41	–

Gains or losses included in profit or loss were presented in the income statements as the items of gains or losses on changes in fair value, investment income and credit impairment losses, etc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. FAIR VALUE DISCLOSURES (CONTINUED)

1. Ongoing assets and liabilities at fair value (Continued)

The information related to fair value measurement in Level 3 was as follows:

Item	Fair value as of 30 June 2025	Valuation techniques	Name	Enter a value		
				Range weighted average)	Relationship with fair value	Observable /Unobservable
Financing receivables – Notes receivable	106,418,104.33	Discounted cash flow model	Discount rate	3.45%	Negative correlation	Unobservable

Item	Fair value as of 31 December 2024	Valuation techniques	Name	Enter a value		
				Range interval (weighted average)	Relationship with fair value	Observable/ Unobservable
Financing receivables – Notes receivable	59,407,818.41	Discounted cash flow model	Discount rates	3.45%	Negative correlation	Unobservable

- The Group does not have assets subsequently measured at fair value on a non-continuing basis.**
- Disclosure of the fair value of assets and liabilities that are not subsequently measured at fair value.**

The Group's financial assets and financial liabilities measured at amortised cost mainly include notes receivable, account receivables, short-term borrowings, account payables, long-term borrowing due within one year, long-term borrowings, long-term payables, etc. Except for the financial assets and financial liabilities mentioned above, there is no significant difference between the book value of other financial assets and financial liabilities not measured at fair value and the fair value.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. CAPITAL MANAGEMENT

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern, thereby providing returns for shareholders and benefits for other stakeholders and maintaining an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

Consistent with other companies in the same industry, the Group monitors its capital based on the gearing ratio, which is calculated as net debt divided by total capital. Net debt is equal to total borrowings (including short-term borrowings, long-term borrowings, bonds payable, long-term payables, etc.) less cash and cash equivalents. Total capital is the sum of owners' equity as shown in the consolidated balance sheet and net debt.

During the six-month period ended 30 June 2025, the Group's strategy is to maintain a gearing ratio between 2% and 30%, which is consistent with the previous year. As at 30 June 2025 and 31 December 2024, the Group's gearing ratios were as follows:

Item	30 June 2025	31 December 2024
Total borrowing	1,966,187,401.20	763,999,147.22
Including: Short-term borrowings	200,137,777.78	200,159,722.23
Long-term borrowing	1,419,796,776.23	96,000,000.00
Long-term loans due within one year	346,252,847.19	467,839,424.99
Less: Cash and cash equivalents	547,036,529.43	582,405,823.83
Net debt (a).	1,419,150,871.77	181,593,323.39
Owners' equity (b)	6,197,732,166.73	7,220,826,763.45
Total capital (c) = (a) + (b)	7,616,883,038.50	7,402,420,086.84
Gearing ratio (a)/(c)	18.63%	2.45%

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Related party relationships

(1) The Information on the Company's parent company

Name of parent company	Place of registration	Nature of business	Registered capital (RMB10,000)	Parent company's shareholding in the company (%)	Parent company's Share of voting rights in the company (%)
Xinjiang Nonferrous Metals Industry (Group) Limited Liability Company	Urumqi, China	mining, smelting and processing of non-ferrous and precious metals	163,035.61	40.06	40.06

Note: The Company's ultimate controlling party is Non-ferrous Group, whose place of registration is Urumqi, China.

(2) Information on the Company's subsidiaries

For details of subsidiaries, please refer to "Note VI.1. (1) Composition of the enterprise group".

(3) Joint venture of the Company

For details of the Company's significant joint venture, please refer to "Note VI.2. (1) Significant joint venture".

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

1. Related party relationships

Related party name	relationship with the Group
Xinjiang Asher Copper Co., Ltd.	Associated enterprises of Non-ferrous Group
Fukang Juxin Industry and Trade Co., Ltd.	Associated enterprises of Non-ferrous Group
Xinjiang Qianxin Mining Co., Ltd.	Associated enterprises of Non-ferrous Group
Xinjiang Haoxin Lithium Salt Development Co., Ltd.	Under common control of Non-ferrous Group
China Nonferrous Metals Import and Export Xinjiang Corporation	Under common control of Non-ferrous Group
Xinjiang Nonferrous Metals Industry Group Rare Metals Co., Ltd.	Under common control of Non-ferrous Group
Fukang Nonferrous Development Co., Ltd.	Under common control of Non-ferrous Group
Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	Under common control of Non-ferrous Group
Fuyun Hengsheng Beryllium Industry Co., Ltd.	Under common control of Non-ferrous Group
Beijing Baodi Xindi Trade Co., Ltd.	Under common control of Non-ferrous Group
Xinjiang Nonferrous Metals Industry (Group) Quanxin Construction Co., Ltd.	Under common control of Non-ferrous Group
Xinjiang Dongsanhuan Trading Co., Ltd.	Under common control of Non-ferrous Group
Western Gold Hami Gold Mine Co., Ltd.	Under common control of Non-ferrous Group

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

1. Related party relationships (Continued)

Related party name	relationship with the Group
Xinjiang Zhanxin Fire Insulation Material Co., Ltd.	Under common control of Non-ferrous Group
Fukang Non-ferrous Property Management Co., Ltd.	Under common control of Non-ferrous Group
Urumqi Tianshan Star Precious Metals Co., Ltd.	Under common control of Non-ferrous Group
Xinjiang Wuxin Copper Industry Co., Ltd.	Under common control of Non-ferrous Group
Hami Jinhui Real Estate Development Co., Ltd.	Under common control of Non-ferrous Group
Xinjiang Jinhui Real Estate Development Co., Ltd.	Under common control of Non-ferrous Group
Xinjiang Nonferrous Metals Research Institute	Under common control of Non-ferrous Group
Xinjiang Nonferrous Metals Group Mingyuan Real Estate Management Co., Ltd.	Under common control of Non-ferrous Group
Aktau Kobang Manganese Manufacturing Co., Ltd.	Under common control of Non-ferrous Group
Xinjiang Non-ferrous Metal Industry (Group) Lanzuan Trading Co., Ltd.	Under common control of Non-ferrous Group
Hexin Mining	Joint venture of the Group

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related party transactions

(1) Pricing Policy

The prices of sales to related parties, purchases from related parties, provision of services by related parties, and lease of properties from related parties were based on market price or agreement price.

(2) Purchase and sales of goods, provision and receipt of services

1) Purchases of materials from related parties

Related parties	Six months ended 30 June 2025	Six months ended 30 June 2024
Under common control of Non-Ferrous Group/An associate of Non-ferrous Group:		
Procurement of production support materials/equipment		
Xinjiang Non-ferrous Metal Industry (Group) Lanzuan Trading Co., Ltd.	6,034,420.52	5,878,318.39
Fukang Nonferrous Metals Development Co., Ltd.	33,974.47	154,305.42
Fuyun Xinshengtong Trade Co., Ltd.	18,247,861.82	1,534,955.64
Fuyun Xingtong Service Co., Ltd.	—	700,341.73
Quanxin Construction Co., Ltd.	588,318.58	—
Huachuang Tianyuan Industrial Co., Ltd.	—	266,341.58
Subtotal	24,904,575.39	8,534,262.76
A joint venture of the Group Purchase of nickel powder		
Hexin Mining	32,110,408.75	37,358,412.81
Sub-total	32,110,408.75	37,358,412.81
Total	57,014,984.14	45,892,675.57

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related party transactions (Continued)

(2) Purchase and sales of goods, provision and receipt of services (Continued)

2) Acceptance services

Related parties	Six months ended 30 June 2025	Six months ended 30 June 2024
Under common control of Non-ferrous Group/An associate of Non-ferrous Group:		
Payment for work and labor		
Xinjiang Nonferrous Metals Industry (Group) Quanxin Construction Co., Ltd.	70,355,476.31	9,136,735.81
Xinjiang Non-ferrous Metal Industry (Group)Fuyun Xingtong Service Co., Ltd.	—	1,099,644.49
Urumqi Congxin Human Resource Service Co., Ltd.	—	892,282.52
Shipping costs		
Fukang Nonferrous Development Co., Ltd.	1,574,975.92	5,613,819.03
Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	—	31,926.60
Xinjiang Nonferrous Metals Industry (Group) Quanxin Construction Co., Ltd.	1,331,381.47	—

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related party transactions (Continued)

(2) Purchase and sales of goods, provision and receipt of services (Continued)

2) Acceptance services (Continued)

Related parties	Six months ended 30 June 2025	Six months ended 30 June 2024
Other service fees		
Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	1,171,054.17	434,169.78
Xinjiang Non-ferrous Metal Research Institute	628,357.42	255,273.06
Fukang Nonferrous Development Co., Ltd.	820,177.41	—
Fukang Non-ferrous Property Management Co., Ltd.	—	14,284.52
Western Gold Hami Gold Mine Company, LLC.	—	82,984.30
Non-ferrous Group	16,089.00	—
Urumqi Congxin Human Resource Service Co., Ltd.	2,712,735.82	—
Xinjiang Nonferrous Metals Industry (Group) Quanxin Construction Co., Ltd.	5,836,091.08	—
Comprehensive service fee		
Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	—	1,613,207.52
Xinjiang Nonferrous Metals Group Mingyuan Real Estate Management Co., Ltd.	62,288.05	—
Xinjiang Nonferrous Metals Research Institute	34,567.26	—
Urumqi Congxin Human Resources Service Co., Ltd.	105,660.38	—
Total	84,648,854.29	19,174,327.63

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(2) Purchase and sales of goods, provision and receipt of services (Continued)

3) Sales of products and energy

Related parties	Six months ended 30 June 2025	Six months ended 30 June 2024
Under common control of Non-ferrous Group/An associate of Non-ferrous Group:		
Xinjiang Wuxin Copper Industry Co., Ltd.	316,044,781.45	208,800,500.55
Xinjiang Non-ferrous Metal Industry (Group) Lanzuan Trading Co., Ltd.	6,110,891.47	4,482,879.81
Urumqi Tianshan Star Precious Metals Co., Ltd.	—	9,798,433.92
Fuyun Hengsheng Beryllium Industry Co., Ltd.	586,966.85	309,030.31
Xinjiang Non-ferrous Metal Industry (Group) Quanzin Construction Co., Ltd.	539,412.48	477,255.13
Western Gold Hami Gold Mine Company, LLC	—	779,433.97
Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	72,314.85	1,499.47
Total	323,354,367.10	224,649,033.16

4) Rendering of services

Related parties	Six months ended 30 June 2025	Six months ended 30 June 2024
The parent company of the Group:		
Non-ferrous Group	—	38,532.11

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(3) Related leases

1) Rental

Name of the lessee	Types of leased assets	Six months ended 30 June 2025	Six months ended 30 June 2024
Xinjiang Nonferrous Metals Industry (Group) Quanxin Construction Limited	Buildings	—	100,000.00
Non-ferrous Group	House, building, transportation	—	38,532.11
Total		—	138,532.11

2) Lease situation

The lease liabilities paid by the Group as the lessee in the current period:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Xinjiang Nonferrous Metals Research Institute	594,489.40	—

Interest expense on lease liabilities incurred by the Group as the lessee:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Xinjiang Nonferrous Metals Research Institute	52,536.69	27,071.66

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(4) Related guarantees

1) As a guarantor

Name of the guaranteed party	Amount of guarantee	Starting date	Ending date	Fulfilled or not
Hexin Mining	25,000,000.00	2025-5-10	2026-5-10	No
Hexin Mining	25,000,000.00	2024-5-17	2025-5-17	Yes

(5) Remuneration of key management personnel

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Total compensation	1,551,913.41	1,779,107.78

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(5) Remuneration of key management personnel (Continued)

(1) Remuneration of Directors, Supervisors and Chief Executive Officer

The remuneration of each of the Directors, Supervisors, and Chief Executive Officer as of 30 June 2025 is set out below:

Item	Remuneration	Wages and subsidies	Contributions to pension plans	Bonus	Other allowance benefits	Remuneration for other services provided in connection with the management of the Company or its subsidiaries	Total
Director							
- Chen Yin	-	158,668.35	23,996.16	-	-	-	182,664.51
- Chen Yang	-	-	-	-	-	-	-
- Guo Quan	-	-	-	-	-	-	-
- Wang Lijian	-	-	-	-	-	-	-
- Zhou Chuanyou	-	-	-	-	-	-	-
- Hu Chengye	-	-	-	-	-	-	-
Independent Director							
- Hu Benyuan	35,000.00	-	-	-	-	-	35,000.00
- Lee Tao Wai	58,500.00	-	-	-	-	-	58,500.00
- Huang Yong	35,000.00	-	-	-	-	-	35,000.00

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(5) Remuneration of key management personnel (Continued)

(1) *Remuneration of Directors, Supervisors and Chief Executive Officer (Continued)*

The remuneration of each of the Directors, Supervisors, and Chief Executive Officer as of 30 June 2025 is set out below: (Continued)

Item	Remuneration	Wages and subsidies	Contributions to pension plans	Bonus	Other allowance benefits	Remuneration for other services provided in connection with the management of the Company or its subsidiaries	Total
Supervisor							
– Lin Su	20,000.00	–	–	–	–	20,000.00	
– Li Shouqiang	–	–	–	–	–	149,348.24	149,348.24
– Huang Fakai	–	–	–	–	–	148,327.52	148,327.52
– Yao Wenying	20,000.00	–	–	–	–	–	20,000.00
Other key managers							
– He Hongfeng	–	163,817.19	23,996.16	–	–	–	187,813.35
– Shagen Buick	–	154,181.31	23,996.16	–	–	–	178,177.47
– Li Jiangping	–	154,181.31	23,996.16	–	–	–	178,177.47
– Lin Zhaorong	200,000.00	–	–	–	–	–	200,000.00
– Wu Ning	–	134,908.69	23,996.16	–	–	–	158,904.85
Total	368,500.00	765,756.85	119,980.80	–	–	297,675.76	1,551,913.41

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(5) Remuneration of key management personnel (Continued)

(1) Remuneration of Directors, Supervisors and Chief Executive Officer (Continued)

The remuneration of each of the Directors, Supervisors, and Chief Executive Officer as of 30 June 2024 is set out below:

Name	Remuneration	Wages and subsidies	Contributions to pension plans	Bonus	Other allowance benefits	Remuneration for other services rendered in relation to the management of the Company or subsidiaries	Total
Director:							
-Qi Xinhui ¹	-	-	-	-	-	-	-
-Chen Yin ²	-	216,995.37	21,960.00	-	-	-	238,955.37
-Chen Yang	-	-	-	-	-	-	-
-Guo Quan ³	-	-	-	-	-	-	-
-Wang Lijian	-	-	-	-	-	-	-
-Zhou Chuanyou	-	-	-	-	-	-	-
-Hu Chengye	-	-	-	-	-	-	-
Independent Directors:							
-Hu Benyuan	35,000.00	-	-	-	-	-	35,000.00
-Wang Qingming ⁴	29,166.00	-	-	-	-	-	29,166.00
-Lee Tao Wai	58,500.00	-	-	-	-	-	58,500.00
-Huang Yong ⁵	5,833.33	-	-	-	-	-	5,833.33

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(5) Remuneration of key management personnel (Continued)

(1) Remuneration of Directors, Supervisors and Chief Executive Officer (Continued)

The remuneration of each of the Directors, Supervisors, and Chief Executive Officer as of 30 June 2024 is set out below: (Continued)

Name	Remuneration	Wages and subsidies	Contributions to pension plans	Bonus	Other allowance benefits	Remuneration for other services rendered in relation to the management of the Company or subsidiaries	Total
Supervisor:							
-Meng Guojun ⁶	16,666.66	-	-	-	-	-	16,666.66
-Lin Su ⁷	3,333.33	-	-	-	-	-	3,333.33
-Li Shouqiang	-	-	-	-	-	174,343.67	174,343.67
-Yao Wenying	20,000.00	-	-	-	-	-	20,000.00
-Huang Fakai	-	-	-	-	-	96,704.00	96,704.00
Other key managers:							
-Lin Zhaorong	-	200,000.00	-	-	-	-	200,000.00
-Li Jiangping ⁹	-	169,780.27	21,960.00	-	-	-	191,740.27
-He Hongfeng	-	177,269.07	21,960.00	-	-	-	199,229.07
-Dong Guoqing ⁸	-	144,143.34	18,300.00	-	-	-	162,443.34
-Shagen Buick	-	156,220.27	21,960.00	-	-	-	178,180.27
-Wu Ning	-	147,052.47	21,960.00	-	-	-	169,012.47
Total	168,499.32	1,211,460.79	128,100.00	-	-	271,047.67	1,779,107.78

Notes: 1. Mr. Qi Xinhui resigned as General Manager of the Company on 5 January 2024; 2. Mr. Chen Yin was appointed as General Manager of the Company on 29 February 2024 and as an Executive Director on 31 May 2024; 3. Mr. Guo Quan resigned as Non-executive Director on 31 May 2024; 4. Mr. Wang Qingming resigned as Independent Non-executive Director on 31 May 2024; 5. Mr. Huang Yong was appointed as an Independent Non-executive Director on 31 May 2024; 6. Mr. Meng Guojun resigned as a supervisor on 31 May 2024; 7. Ms. Lin Su was appointed as a supervisor on 31 May 2024; 8. Mr. Dong Guoqing resigned as Deputy General Manager of the Company on 3 June 2024; 9. Mr. Li Jiangping was appointed as Deputy General Manager of the Company on 29 February 2024.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(5) Remuneration of key management personnel (Continued)

- (2) In six months ended 30 June 2025, the Group did not have any retirement benefits for directors (six months ended 30 June 2024: none).
- (3) In six months ended 30 June 2025, there were no termination benefits for directors in the Group (six months ended 30 June 2024: none).
- (4) In six months ended 30 June 2025, the Group did not pay any consideration to third parties for obtaining director services (six months ended 30 June 2024: none).
- (5) In six months ended 30 June 2025, the Group did not make any loans, similar loans, or other transaction information benefiting directors, corporate entities controlled by directors, or related entities of such directors (six months ended 30 June 2024: none).
- (6) In six months ended 30 June 2025, the Group did not enter into any significant transactions, arrangements, or contracts related to the Group's business in which the Group's directors directly or indirectly have a material interest (six months ended 30 June 2024: none).
- (7) In six months ended 30 June 2025, the directors and supervisors who do not receive any remuneration from the Group have their remuneration paid by the shareholders of the Company and/or its subsidiaries, and the Group has not paid remuneration to these directors and supervisors.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

2. Related Party Transactions (Continued)

(5) Remuneration of key management personnel (Continued)

(8) The five highest-paid individuals

In six months ended 30 June 2025, the top five highest-paid individuals in the Group include one director (six months ended 30 June 2024: one director), whose remuneration is reflected in the table above; the aggregate remuneration amounts for the other four individuals (six months ended 30 June 2024: four individuals) are set out below:

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Basic salary, housing subsidies and other subsidies	672,179.81	703,269.61
Contributions to pension plans	71,988.48	65,880.00
Total	744,168.29	769,149.61

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Range of remuneration: within HK\$1,000,000	4	4

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Belated party receivable and payable balances

(1) Accounts receivable

Related parties	30 June 2025		31 December 2024	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Xinjiang Wuxin Copper Industry Co., Ltd.	310,050.12	16,746.96	310,050.12	16,746.96
Xinjiang Kunlun Blue Diamond Lithium Co., Ltd.	—	—	35,333.34	1,908.49
Xinjiang Non-ferrous Metal Industry (Group) Lanzuan Trading Co., Ltd.	6,837.30	—	—	—
Total	316,887.42	16,746.96	345,383.46	18,655.45

(2) Other receivables

Related parties	30 June 2025		31 December 2024	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Fuyun Hengsheng Beryllium Industry Co., Ltd.	471,536.65	24,484.99	459,967.83	15,123.69
Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	49,910.78	—	26,213.69	551.98
Fuyun Xinshengtong Trade Co., Ltd.	181,438.00	6,803.93	225,838.00	8,310.19
Xinjiang Kunlun Lanzuan Mining Development Co., LTD.	76,061.76	1,601.61	194,294.78	4,091.22
Xinjiang Zhanxin Fire Insulation Material Co., Ltd.	43,020.00	43,020.00	43,020.00	43,020.00
Non-ferrous Group	69,880.00	1,530.49	16,500.00	1,404.49
Xinjiang Qianxin Mining Co., Ltd.	—	—	53,746.78	1,131.73
Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	150,000.00	3,158.51	150,000.00	3,158.51
Total	1,041,847.19	80,599.53	1,169,581.08	76,791.81

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Balance receivable and payable from related parties (Continued)

(3) Prepayment

Related parties	30 June 2025	31 December 2024
Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	–	100,000.00

(4) Accounts payable

Related party	30 June 2025	31 December 2024
Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	3,552,784.78	16,323,640.81
Hexin Mining	8,295,551.68	25,610,789.79
Xinjiang Non-ferrous Metal Industry (Group) Lanzuan Trading Co., Ltd.	4,219,849.91	14,437,692.93
Fukang Nonferrous Development Co., Ltd.	1,490,478.17	4,794,786.51
Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	3,481.20	5,410,743.95
Xinjiang Quanxin Mining and Metallurgy Machinery Manufacturing Co., Ltd.	669,868.80	659,506.80
Xinjiang Nonferrous Metals Industry (Group) Electricity Sales Co., Ltd.	–	50,000.00
Xinjiang Huachuang Tianyuan Industrial Co., Ltd.	–	5,016.60
Fuyun Xinshengtong Trade Co., Ltd.	870,942.70	445,261.14
Xinjiang Dongsanhuan Trading Co., Ltd.	–	156,195.20
Xinjiang Non-ferrous Construction Inspection Center Co., Ltd.	67,989.00	67,989.00
Western Gold Hami Gold Mine Co., Ltd.	–	16,049.84
Xinjiang Nonferrous Metals Research Institute	27,200.00	30,800.00
Xinjiang Nonferrous Metals Industry Group Rare Metals Co., Ltd.	10,300.00	10,300.00
Total	19,208,446.24	68,018,772.57

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Balance receivable and payable from related parties (Continued)

(5) Contract liabilities

Related parties	30 June 2025	31 December 2024
Xinjiang Wuxin Copper Industry Co., Ltd.	590,634.00	–
Xinjiang Nonferrous Metals Industry (Group) Lanzuan Trading Co., Ltd.	2,105,600.41	400,735.50
Fuyun Hengsheng Beryllium Industry Co., Ltd.	154,937.00	56,007.08
Total	2,851,171.41	456,742.58

(6) Other payables

Related parties	30 June 2025	31 December 2024
Xinjiang Nonferrous Metals Industry (Group) Quanxin Construction Co., Ltd.	68,283,152.33	44,850,055.50
Xinjiang Nonferrous Metals Industry (Group) Fuyun Xingtong Service Co., Ltd.	2,576,747.07	–
Fukang Nonferrous Development Co., Ltd.	500,000.00	500,000.00
Xinjiang Quanxin Mining and Metallurgy Machinery Manufacturing Co., Ltd.	–	500,000.00
Shanxi Jinerxin Mining Co., Ltd.	4,922,145.24	4,922,145.24
Shaanxi Mingtai Engineering Construction Co., Ltd.	3,834,074.13	3,834,074.13
Xinjiang Nonferrous Metals Group Mingyuan Real Estate Management Co., Ltd.	–	44,914.32
Xinjiang Huachuang Tianyuan Industrial Co., Ltd.	–	739.21
Xinjiang Nonferrous Metals Research Institute	414,492.73	487,292.73
Xinjiang Nonferrous Metallurgy Design and Research Institute Co., Ltd.	468,300.00	–
Urumqi Congxin Human Resources Service Co., Ltd.	28,000.00	–
Xinjiang Nonferrous Building Inspection Center Co., Ltd.	67,989.00	–
Total	81,094,900.50	55,139,221.13

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Others

In accordance with the trademark use right agreement signed with the Non-ferrous Group, the Group will use the trademark “Bo Feng” registered by the Non-ferrous Group for the period from 1 January 2019 to 2 March 2029 without compensation.

XI. SHARE BASE PAYMENT

1. General information on share-based payment

According to the 2021 H-share Appreciation Rights Incentive Plan of Xinjiang Xinxin Mining Industry Co., Ltd. (“incentive plan”), which was resolved and approved by the Company’s general meeting held on 29 October 2021, the Company implemented the stock appreciation right incentive plan to 150 middle and senior management and other key personnel (“incentive recipients”) as determined, and granted a total of 63,500,000 stock appreciation rights to the incentive recipients. The exercise price of such stock appreciation rights is HKD1.58 per share, and the incentive recipients will exercise the rights in three installments within 36 months after serving 24 months from the date of registration (29 October 2021) if the company and the incentive recipients achieve the predetermined performance conditions, with exercise ratios of 33%, 33%, and 34% for each period. The stock appreciation rights are valid for a period of 5 years from 29 October 2021.

According to relevant provisions of the Incentive Plan and the authorization granted by the general meeting, the Board of the Company considered and approved the adjustments to the list of Participants, the number of Effective Equity Interests and the exercise price under the Incentive Plan on 31 May 2024 and 2 August 2025, the number of grantees under the Incentive Plan of the Company was respectively adjusted from 150 to 118, 118 to 96; the number of effective interests was respectively adjusted from 63,500,000 to 43,985,000; 43,985,000 to 34,685,000; and the exercise price was adjusted from HKD1.58 per share to HKD1.36 per share, HKD1.36 per share to HKD1.31 per share. As at 30 June 2025, the number grantees under the Incentive Plan of the Company was 96, the number of effective interests was 34,685,000, and the exercise price was HKD1.31 per share.

Stock options or other equity instruments issued and outstanding at the end of the period

Category of grant recipients	Share options issued and outstanding at the end of the period		Other equity instruments issued and outstanding at the end of the period	
	Range of exercise prices	Remaining term of contract	Range of exercise prices	Remaining term of contract
Middle and senior management and other key personnel	HK\$1.31/share	The incentive plan shall be valid for a period of five years from the date of registration of the initial grant	–	–

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XI. SHARE PAYMENT (CONTINUED)

2. Cash-settled share-based payments

Item	Current period
Method of determining the fair value of liabilities assumed by the Company and determined by calculations based on shares or other equity instruments	Black – Scholes – Merton (BSM) model
Significant parameters of the fair value of liabilities assumed by the Company and determined by calculations based on shares or other equity instruments	Risk-free rate, volatility, dividend yield ratio
Amount of accumulated liability arising from cash-settled share-based payments in liabilities	–

XII. SEGMENT INFORMATION

The Group is principally engaged in the mining, separation, smelting and refining of copper and nickel ores, and the processing and sale of copper, nickel and other non-ferrous metals. Based on the Group's internal organizational structure, management requirements, internal reporting system, and the provisions of Interpretation of the Accounting Standards for Business Enterprises No. 3 for enterprises to report segment information, management considers the Group as a whole to be one operating segment.

During six months ended 30 June 2025 and six months ended 30 June 2024, the Group's sales operations were conducted in China, and the Group's assets and liabilities were also in China.

During six months ended 30 June 2025, the sales revenue of the top three customers of the Group accounted for 28%, 25%, and 19% of the Group's total sales revenue, respectively. (In six months ended 30 June 2024: 24%, 20%, and 14%).

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XIII. COMMITMENTS AND CONTINGENCIES

1. Capital expenditure commitments

	30 June 2025	31 December 2024
Houses, buildings, shaft and alley structures, machinery and equipment and engineering construction	342,443,036.62	45,195,642.62

2. Contingent

(1) Environment contingencies

Historically, the Group has not incurred any significant expenditure on environmental issues. In addition, apart from those disclosed in Note V. 37, the Group is currently not involved in any environmental incidents, nor has any provisions been made for environmental compensation related to operations. Under existing legal provisions, management believes that there will be no potential liabilities that would have a significant adverse impact on the financial condition or operating performance of the Group. The Chinese government, however, may move further towards the adoption of more stringent environmental protection standards.

Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include (i) the exact nature and extent of the contamination at various sites (including, but not limited to mines and land development areas, whether operating, closed or sold) (ii) the extent of required cleanup efforts; (iii) the cost of various remediation strategies; (iv) changes in environmental remediation requirements; and (v) the identification of new sites requiring remediation. The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under future environmental legislation cannot reasonably be estimated at present and could be material.

(2) Insurance

The Group purchases personal accident injury commercial insurance for its employees working underground and commercial insurance for its underground mining equipment. However, such insurance may not be sufficient to cover the potential future losses. Although the possible impact of underinsurance on future contingencies cannot be reasonably anticipated at this time, management believes that the above events could have a material adverse effect on the Group's operating performance or financial condition.

(3) Provision of guarantee

Please refer to Note X.2.(4) for details

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XIV. FUTURE EVENTS AFTER THE BALANCE SHEET

On 26 June 2025, the Group entered into the “Equity Transfer Agreement of Xinjiang Zhongxin Mining Co., Ltd. between Sichuan Aokai Investment and Development Co., Ltd. and Xinjiang Xinxin Mining Industry Co., Ltd.” with Sichuan Aokai Investment and Development Co., Ltd. (“Sichuan Aokai”). Pursuant to the agreement, Sichuan Aokai will transfer its 2.4167% equity interest in Xinjiang Zhongxin Mining Co., Ltd. (“Zhongxin Mining”) to the Group without transaction consideration. The industrial and commercial registration for this transaction was completed on 14 August 2025. Following completion of this transaction, the Group holds a 100% equity interest in Zhongxin Mining, which has become a wholly-owned subsidiary of the Group.

XV. OTHER IMPORTANT EVENTS

As at the balance sheet date, the Group had no other material transactions and events requiring disclosure that would have an impact on investors’ decisions.

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY’S FINANCIAL STATEMENTS

1. Accounts receivable

Aging	30 June 2025	31 December 2024
Accounts receivable	272,879,896.93	421,351,353.31
Less: Bad debt provision	2,422,196.27	2,488,924.29
Total	270,457,700.66	418,862,429.02

(1) Accounts receivable presented by age

Aging	30 June 2025	31 December 2024
Within 1 year (including 1 year)	269,704,950.12	418,968,957.17
1-2 years	803,227.62	—
2-3 years	—	149,894.76
3-4 years	149,894.76	—
Over 5 years	2,221,824.43	2,232,501.38
Total	272,879,896.93	421,351,353.31

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) Accounts receivable are classified according to the method of accruing bad debts

Type	Book balance amount	Ratio (%)	30 June 2025		Book value
			Bad debt reserve amount	Accrual ratio (%)	
Bad debt provision on an individual basis	–	–	–	–	–
Bad debt provision by portfolio	272,879,896.93	100.00	2,422,196.27	0.89	270,457,700.66
Including: related parties portfolio	310,050.12	0.11	16,746.96	5.40	293,303.16
Unrelated party portfolio	272,569,846.81	99.89	2,405,449.31	0.88	270,164,397.50
Total	272,879,896.93	100.00	2,422,196.27	0.89	270,457,700.66

Type	Book balance		31 December 2024		Book value
	Account	Ratio (%)	Bad debt provision Account	Accrual ratio (%)	
Bad debt provision on individual basis	–	–	–	–	–
Bad debt provision by portfolio	421,351,353.31	100.00	2,488,924.29	0.59	418,862,429.02
Including: related party portfolio	345,383.46	0.08	18,655.45	5.40	326,728.01
Unrelated party portfolio	421,005,969.85	99.92	2,470,268.84	0.59	418,535,701.01
Total	421,351,353.31	100.00	2,488,924.29	0.59	418,862,429.02

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) Accounts receivable are classified according to the method of accruing bad debts (Continued)

1) Bad debt provision for accounts receivable by portfolio

Portfolio – Receivables party customers

Aging	30 June 2025		
	Book balance	Lifetime Expected credit loss ratio (%)	Bad debt provision
1-6 months overdue	310,050.12	5.40	16,746.96

Aging	31 December 2024		
	Book balance	Lifetime Expected credit loss ratio (%)	Bad debt provision
Not overdue	345,383.46	5.40	18,655.45

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) Accounts receivable are classified according to the method of accruing bad debts (Continued)

1) Bad debt provision for accounts receivable by portfolio (Continued)

Portfolio – Non-related party customers (Continued)

Aging	30 June 2025		
	Book balance	The entire duration Expected credit loss ratio (%)	Bad debt provision
Not overdue	269,845,266.44	0.07	180,644.41
Overdue for more than 18 months	2,724,580.37	81.66	2,224,804.90
Total	272,569,846.81	0.88	2,405,449.31

Aging	31 December 2024		
	Book balance	Lifetime Expected credit loss ratio (%)	Bad debt provision
Not overdue	418,623,573.71	0.04	187,982.37
Overdue for more than 18 months	2,382,396.14	95.80	2,282,286.47
Total	421,005,969.85	0.59	2,470,268.84

(3) Provisions for bad debts on accounts receivable accrued, recovered, and reversed during the period

Type	Opening balance	Recovery or reversal	Closing balance
Bad debt provision by portfolio	2,488,924.29	66,728.03	2,422,196.26

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(4) Accounts receivable actually written off during the period

No write-offs of accounts receivable occurred during the period.

(5) Accounts receivable pledged

As at 30 June 2025 and 31 December 2024, the Company had no accounts receivable pledged to banks as guarantee for obtaining loan.

(6) Accounts receivable with top five closing balances by debtors

	Closing balance of accounts receivable	Ratio of the total closing balance of accounts receivable (%)	Closing balance of bad debt provision for accounts receivable
Total accounts receivable with top five balances	270,827,820.86	99.25	924,187.53

2. Other receivables

Item	30 June 2025	31 December 2024
Interest receivable	45,459,000.00	44,255,750.00
Other receivables	13,736,795.47	13,667,794.72
Total	59,195,795.47	57,923,544.72

2.1 Interest receivable

(1) Classification of interest receivable

Item	30 June 2025	31 December 2024
Entrusted loans	45,459,000.00	44,255,750.00

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Other receivables

(1) Other receivables categorized by nature of payment

Nature of the payment	30 June 2025	31 December 2024
Social security advances receivable from related parties	12,168,608.43	12,902,976.45
Social Security advances receivable	1,446,788.56	528,520.18
Others	346,516.24	515,731.01
Less: Bad debt provision	225,117.76	279,432.92
Total	13,736,795.47	13,667,794.72

(2) Other receivables presented by aging

Aging	30 June 2025	31 December 2024
Within 1 year (including 1 year)	2,927,832.62	676,232.20
1-2 years	703,122.22	938,188.45
2-3 years	259,306.00	562,407.64
3-4 years	464,595.54	231,498.50
4-5 years	1,082,311.00	1,067,220.00
Over 5 years	8,524,745.85	10,471,680.85
Total	13,961,913.23	13,947,227.64

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Other receivables (Continued)

(3) Presentation of other receivables by bad debt accrual method

Type	Book balance		30 June 2025 Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	Amount
Bad debt provision on an individual basis	43,020.00	0.31	43,020.00	100.00	–
Bad debt provision by portfolio	13,918,893.23	99.69	182,097.76	1.31	13,736,795.47
Including: related parties portfolio	12,059,588.43	86.37	–	–	12,059,588.43
Unrelated party portfolio	1,859,304.80	13.32	182,097.76	9.79	1,677,207.04
Total	13,961,913.23	100.00	225,117.76	1.61	13,736,795.47

Type	Book balance		31 December 2024 Bad debt preparation		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	Amount
Bad debt provision on an individual basis	43,020.00	0.31	43,020.00	100.00	–
Bad debt provision by portfolio	13,904,207.64	99.69	236,412.92	1.7	13,667,794.72
Including: related parties portfolio	12,902,976.45	92.51	–	–	12,902,976.45
Unrelated party portfolio	1,001,231.19	7.18	236,412.92	23.61	764,818.27
Total	13,947,227.64	100.00	279,432.92	2.00	13,667,794.72

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Other receivables (Continued)

(3) Presentation of other receivables by bad debt accrual method (Continued)

1) Bad debt provision for other receivables by portfolio

Aging	30 June 2025		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	2,927,832.62	100,427.13	3.43
1-2 years	660,102.22	6,523.86	0.99
2-3 years	259,306.00	—	—
3-4 years	464,595.54	68,842.93	14.82
4-5 years	1,082,311.00	415.13	0.04
Over 5 years	8,524,745.85	5,888.71	0.07
Total	13,918,893.23	182,097.76	1.31

Aging	31 December 2024		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	676,232.20	14,817.72	2.19
1-2 years	895,168.45	114,652.29	12.81
2-3 years	562,407.64	—	—
3-4 years	231,498.50	89,993.89	38.87
4-5 years	1,067,220.00	—	—
Over 5 years	10,471,680.85	16,949.02	0.16
Total	13,904,207.64	236,412.92	1.70

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Other receivables (Continued)

(3) Presentation of other receivables by bad debt accrual method (Continued)

2) Bad debt provision for other receivables by the general model of expected credit losses

	Stage 1	Stage 2	Stage 3
	Expected credit	Lifetime	Lifetime
	loss over the	expected credit	expected credit
	next 12 months	loss (No credit	loss (No credit
Bad debt provision		impairment	impairment
		occurred)	occurred)
Balance as at 1 January 2025	279,432.92	–	279,432.92
Balance in current period			
as at 1 January 2024	–	–	–
– Transferred to Stage 2	–	–	–
– Transferred to Stage 3	–	–	–
– Transferred back to Stage 2	–	–	–
– Transferred back to Stage 1	–	–	–
Accrual in current period	–	–	–
Reversal in current period	(54,315.16)	–	(54,315.16)
Charge-offs in current period	–	–	–
Write-offs in current period	–	–	–
Other changes	–	–	–
Balance as at 30 June 2025	225,117.76	–	225,117.76

(4) Provisions for bad debts on other receivables accrued, recovered, and reversed during the period

	31 December	Changes in current period	
Item	2024	Recovery or	30 June 2025
		reversal	
Bad debt provision by portfolio	279,432.92	54,315.16	225,117.76

(5) Other receivables actually written off during the period

There were no write-offs of other receivables during the period.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Other receivables (Continued)

(6) Other receivables with significant closing balances by debtors

Name of the organization	Nature of payment	30 June 2025	Aging	Ratio of the total closing balance of other receivables (%)	Bad debt provision on 30 June 2025
Beijing Xinding Shunze High-Tech Co., Ltd.	Other	45,459,000.00	Within 1 year	76.50	–
Shaanxi Xinxin Mining Co., Ltd.	Current money	10,945,812.55	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years, and more than 5 years	18.42	–
Xinjiang Kalatongke Mining Co., Ltd.	Current money	960,745.68	Within 1 year	1.62	–
Total	–	57,365,558.23	–	96.54	–

3. Long-term equity investment

Item	30 June 2025		
	Book balance	Provision for impairment	Book value
Investment in subsidiaries	3,385,512,520.87	198,659,156.75	3,186,853,364.12
Investment in a joint venture	205,098,565.14	–	205,098,565.14
Total	3,590,611,086.01	198,659,156.75	3,391,951,929.26

Item	31 December 2024		
	Book balance	Provision for impairment	Book value
Invest in subsidiaries	2,510,131,420.87	198,659,156.75	2,311,472,264.12
Investment in a joint venture	209,788,023.73	–	209,788,023.73
Total	2,719,919,444.60	198,659,156.75	2,521,260,287.85

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investment (Continued)

(1) Investment in subsidiaries

Investee	Changes in the current period						Closing balance of impairment provision
	31 December 2024					30 June 2025	
	(Book Value)	Opening balance of impairment provision	Increase in investment	Decrease in investment	Provision for impairment	(Book Value)	
Xinjiang Kalatongke Mining Co., Ltd.	1,230,000,000.00	-	-	-	-	1,230,000,000.00	-
Xinjiang Yakesi Resources Development Co., Ltd.	720,171,915.12	-	-	-	-	720,171,915.12	-
Hami Jubao Resources Development Co., Ltd.	206,100,349.00	-	-	-	-	206,100,349.00	-
Beijing Xinding Shunze High-Tech Co., Ltd.	145,000,000.00	-	-	-	-	145,000,000.00	-
Shaanxi Xinxin Mining Co., Ltd.	80,000,000.00	80,000,000.00	-	-	-	80,000,000.00	80,000,000.00
Xinjiang Zhongxin Mining Co., Ltd.	118,659,156.75	118,659,156.75	-	-	-	118,659,156.75	118,659,156.75
Xinjiang Mengxi Mining Co., Ltd.	10,200,000.00	-	-	10,200,000.00	-	-	-
Xinjiang Hua'ou Mining Industry Co., Ltd.	-	-	885,581,100.00	-	-	885,581,100.00	-
Total	2,510,131,420.87	198,659,156.75	885,581,100.00	10,200,000.00	-	3,385,512,520.87	198,659,156.75

(2) Investment in a joint venture

Investee	31 December 2024 (Book Value)	Impairment provisions for additional investment	Changes in the current period				30 June 2025 (Book Value)	Closing balance of impairment provision
			Reduce investment	(Losses) Gains recognized under the equity method	Other comprehensive income adjustments	Other changes in equity		
Hexin Mining	209,788,023.73	-	-	(4,689,458.59)	-	-	205,098,565.14	-

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Revenue and cost of sales

(1) Details of revenue and cost of sales

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Revenue	cost	Revenue	cost
Main operation	1,001,002,867.77	906,624,714.76	972,380,103.76	811,046,267.77
Other operations	631,955.12	87,677.11	3,120,442.51	444,769.93
Total	1,001,634,822.89	906,712,391.87	975,500,546.27	811,491,037.70

(2) Main business income and main business costs

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Revenue from main operation	Cost of sales from main operation	Revenue from main operation	Cost of sales from main operation
Nickel cathode	627,861,245.24	589,265,015.49	531,526,235.51	475,474,704.30
Copper cathode	315,691,360.21	—	208,800,500.55	187,171,067.35
Others	57,450,262.32	317,359,699.27	232,053,367.70	148,400,496.12
Total	1,001,002,867.77	906,624,714.76	972,380,103.76	811,046,267.77

(3) Revenue and cost of sales from other operations

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Revenue from other operation	Cost of sales from other operation	Revenue from other operation	Cost of sales from other operation
Others	631,955.12	87,677.11	3,120,442.51	444,769.93
Total	631,955.12	87,677.11	3,120,442.51	444,769.93

(4) Information related to performance obligations

The Group's sales of electrolytic nickel and copper cathode are all performed at a point in time according to the sales contract. As for the performance obligations performed at a point in time, revenue is recognized when the customer obtains control.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVI. NOTES TO THE PRINCIPAL ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Investment income

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Income(loss) from long-term equity investments accounted for under the equity method	(5,010,731.60)	194,774.95
Investment losses arising from deregistration of subsidiaries	(4,872,599.76)	—
Total	(9,883,331.36)	194,774.95

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

1. STATEMENT OF NON-RECURRING GAINS AND LOSSES FOR THE PERIOD

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Investment income from disposal of available for sale financial assets	–	117,926.03
Government grants recognized in the current profit or loss (except for government grants that are closely related to the Company's normal operating business, in accordance with national policies, enjoyed in accordance with defined standards, and have a continuous impact on the Company's profit or loss)	6,462,846.39	12,138,433.75
Gains on debt restructuring	–	161,263.33
Non-operating income and expenses other than those mentioned above	(224,191.54)	993,005.43
Subtotal	6,238,654.85	13,410,628.54
Less: Effect of the income tax	935,493.63	2,017,490.58
Effect of non-controlling interests (after tax)	125,211.05	47,707.29
Total	5,177,950.17	11,345,430.67

2. RETURN ON NET ASSETS AND EARNINGS PER-SHARE

	Weighted average return on equity		Earnings per share (RMB/share)			
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Basic earnings per share		Diluted earnings per share	
			Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2025	Six months ended 30 June 2024
Net profit attributable to ordinary shareholders of the parent company	1.32%	2.23%	0.032	0.065	0.032	0.065
Net profit attributable to ordinary shareholders of the parent company after deducting non-recurring gains and losses	1.22%	2.05%	0.030	0.060	0.030	0.060



Xinjiang Xinxin Mining Industry Co., Ltd.*
新疆新鑫礦業股份有限公司